Sustainable Development Petroleum Resources Programme

Annual Budget Monitoring Report

Financial Year 2022/23

October 2023

Budget Monitoring and Accountability Unit
Ministry of Finance, Planning and Economic Development
P.O. Box 8147, Kampala
www.finance.go.ug

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ABBREVIATIONS AND ACRONYMS

AGRC	Albertine Graben Refinery Consortium
CNOOC	Chinese National Offshore Oil Corporation
CPF	Central Processing Facility
DP	Directorate of Petroleum
E&P	Exploration and Production
EA	Exploration Area
EAC	East African Community
EACOP	East African Crude Oil Pipeline
EISA	Environmental Impact and Social Assessment
EPC	Engineering Procurement and Construction
FDP	Field Development Plan
FEED	Front End Engineering Design
FID	Final Investment Decision
GoU	Government of Uganda
HGA	Host Government Agreement
HSE	Health Safety and Environment
IFC	International Finance Corporation
IFMS	Integrated Financial Management System
JST	Jinja Storage Terminal
JV	Joint Venture
KST	Kampala Storage Terminal
LPG	Liquefied Petroleum Gas
MDAs	Ministries, Departments and Agencies
MEMD	Ministry of Energy and Mineral Development
MFPED	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
NDP III	National Development Plan-3
NEMA	National Environment and Management Authority
NOGTR	National Oil and Gas Talent Register
NOGP	National Oil and Gas Policy
NPC	National Pipeline Company
NPDR	National Petroleum Data Repository
NPP	National Petroleum Policy
NSD	National Supplier Database
NTR	Non-Tax Revenue
OGTAU	Oil and Gas Training Institutions Association of Uganda
PAPs	Project Affected Persons
PAU	Petroleum Authority of Uganda
PBS	Programme Budgeting System
PDHs	Physically Displaced Households
PEPD	Petroleum Exploration and Production Department
PIAP	Programme Implementation Action Plan
PIP	Public Investment Plan
PPDA	Public Procurement and Disposal of Assets Authority

PPP	Public-Private Partnership
PRR	Petroleum Reservoir Report
PSA	Production Sharing Agreement
QHSSE	Quality Health, Safety, Security and Environment
RAP	Resettlement Action Plan
RDP	Refinery Development Program
RMP	Reservoir Management Plan
ROW	Right of Way
RTMC	Real-Time Monitoring Centre
SDPR	Sustainable Development of Petroleum Resources
SEA	Strategic Environmental Assessment
SME	Small Medium Enterprise
ToR	Terms of Reference
UDB	Uganda Development Bank
UNBS	Uganda National Bureau of Standards
UNOC	Uganda National Oil Company
URHC	Uganda Refinery Holding Company Limited
VTI	Vocational Training Institution

FOREWORD

With a strategic focus on the theme for Financial Year 2022/23, "Full Monetization of the Ugandan Economy through Commercial Agriculture, Industrialization, Expanding and Broadening Services, Digital Transformation and Market Access," the Government of Uganda has focused on the allocation of resources to strategic interventions which reflect a strong drive and dedication towards sustainable economic growth for the people of Uganda.

The findings from this year's annual monitoring exercise reveal commendable strides in the programme operations, however, the challenges we face in the pursuit of economic transformation are evident. Limited resources demand service delivery efficiency, thus the urgent need for strategic reforms if we are to reap the development dividends of our investments.

A recent project review in some programmes revealed ineffective usage of loans and counterpart funding. This raises concerns about potential funding losses and increased costs. I urge all the implementing agencies to ensure that adjustments in planning, financial monitoring and analysis, coupled with prudent management are undertaken immediately. Let us seize this moment to build a more prosperous and sustainable Uganda for generations to come.

Ramathan Ggoobi

Permanent Secretary/Secretary to the Treasury

EXECUTIVE SUMMARY

The Sustainable Development Petroleum Resources Programme scored a fair performance at 67.6% during the Financial Year (FY) 2022/23. A total of 12,121 Uganda nationals (94% of employees) were working in the Oil and Gas Sector with 3,871 (32%) from the host communities in Kikuube, Hoima, Masindi and Buliisa districts. The participating Ugandan companies increased from 109 in FY 2021/22 to 202 in FY 2022/23, undertaking 609 contracts worth USD 236 million.

The Up-stream Sub-programme performance was fair at 65.4%. Further exploration works in the Moroto-Kadam Basin did not progress in Quarter four due to the insecurity in the Karamoja region. However, 120-line km of Geophysical data, 100 sq. km of Geological and Geochemical data were acquired in Quarter Three bringing the cumulative geophysical, geological, and geochemical data acquisition in the Moroto-Kadam Basin to 78% and Albertine Graben to 50% completion. Desktop review of data from the Kyoga Basin continued but the reconnaissance studies in the same basin did not progress due to lack of funding.

Progress was registered in the development of the upstream facilities in preparation for the first oil production. In the Tilenga production area, the overall progress of the works was at 50%, and 40% for the Kingfisher area. Civil works for the enabling infrastructure (industrial area site preparation, access roads, well pads, camps, construction support bases) were at 92% and 66% for Tilenga and Kingfisher areas respectively by 30th June 2023. A total of three drilling rigs (one in Kingfisher and two in Tilenga) were delivered and assembled. The drilling of the first production wells had commenced, and two development wells in Kingfisher and Tilenga Oil fields were completed in June 2023.

The Midstream Sub-programme annual performance was also fair at 64.7%. The Final Investment Decision for the East African Crude Oil Pipeline (EACOP), Host Government Agreements, and Inter-Governmental Agreements were negotiated and concluded. The construction license for the EACOP was also awarded to the joint venture partners during FY2022/23. The government, through the budget, released Ug shs 676.4 billion (bn) to the EACOP project, completing Uganda National Oil Company's (UNOC) required 15% equity contribution to the project worth USD 308m (Ug shs 1.157 trillion). The construction of the pipeline did not commence in FY 2022/23 because the 60% project debt financing by the joint venture partners (Total Energies and China National Offshore Oil Corporation (CNOOC) had not been secured.

Compensation of the pipeline corridors for the EACOP by the Joint Venture Partners progressed slowly, especially in the second half of the FY. The cumulative compensation progress was 80% with a total of 177(93%) of the resettlement houses completed, and total of 3,222 compensation agreements approved and 3,649 (80%) Project Affected Persons (PAPs) cash compensated. The product pipeline compensation was 51% with a slight increase from 41% in FY 2021/22. Progress for the products pipeline compensation was affected by inadequate funds.

The performance of the Downstream Sub-programme was good at 72.6%. The UNOC took over the management of the Jinja Storage Terminal (JST) from One Petroleum Ltd (OPL) on 23rd December 2022. During the FY 2022/23, UNOC managed to restock eight (8) million litres of the planned nine (9) million litres. However, theses stock levels were still low, and due to the low budget allocation higher stock levels cannot be kept. The UNOC was in the process of searching for potential partners to scale up trading operations at the storage reserves.

Monitoring and regulation of the quality of petroleum products under the downstream value chain by the Ministry of Energy and Mineral Development (MEMD) and the Uganda National Bureau of Standards (UNBS) was good with 919 fuel retail outlets monitored and inspected in in all the regions of Uganda. Overall, 99.2% fuel quality compliance level was registered in the countrywide inspections.

The MEMD also continued the promotion of Liquefied Petroleum Gas (LPG) as an alternative clean cooking technology to reduce the dependence on biomass (charcoal and firewood). Distribution of a total of 13,033 LPG promotional cylinder kits in the central region was undertaken during the FY, and plans were underway to develop an LPG central storage facility at Mukono so that the initiative could be scaled up across the country.

Challenge

The compensation of PAPs affected by most of the oil sector infrastructure was behind schedule thus generating bad publicity about the EACOP which continued to affect the ability of the Joint Venture Partners to achieve financial closure for the debt financing. This is projected to further delay the production of the country's first oil beyond 2025.

Recommendations

1. The Government and Joint Venture Partners should fast-track the financial closure of the EACOP debt financing through the engagement of other alternative funders.

2. The MEMD should strengthen the monitoring and supervision of the ongoing compensation process for EACOP project-affected persons to ensure the process is fair and timely to avoid bad publicity.

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.*"

The MFPED 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, and indicators. The BMAU work is aligned with budget execution, accountability, and service delivery.

Commencing FY 2021/22, the BMAU began undertaking Programme-Based Monitoring to assess performance against targets and outcomes 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 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 noted implementation challenges.

The monitoring covered the following programmes: Agro-Industrialization; Community Mobilization 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 annual monitoring of selected interventions under the Sustainable Development of Petroleum Resources programme for the budget execution period from 1st July 2022 to 30th June 2023.

1.2 Programme Goals and Objectives

The Sustainable Development of Petroleum Resources (SDPR) Programme aims to attain equitable value from petroleum resources and spur economic development in a timely and sustainable manner.

The key Programme objectives are to;

i. Ensure sustainable production and utilization of the country's oil and gas resources.
ii. Strengthen policy, legal and regulatory frameworks as well as the institutional capacity of oil and gas industry.
iii. Enhance local capacity to participate in oil and gas operations.
iv. To promote private investment in the oil and gas industry.
v. Enhance Quality Health, Safety, Security and Environment (QHSSE).
vi. Improve security of supply of refined petroleum products.

The key expected results include:

i. Reducing the volume and value of imported petroleum and petroleum products
ii. Increasing revenue from the oil and gas industry and its contribution to Gross Domestic Product (GDP)
iii. Creating more employment opportunities for Ugandans along the petroleum value chain

1.3 Sub-programmes

The programme is comprised of 3 sub-programmes, namely:

i. Upstream Sub-programme which covers promotion, licensing, exploration, development and production of oil and gas
ii. Midstream Sub-programme which includes transportation, refining of oil and conversion of gas, and
iii. Downstream Sub-programme which deals with distribution of petroleum products.

The lead implementing Ministry for the programme is that of Ministry of Energy and Mineral Development (MEMD), whereas the Petroleum Authority of Uganda (PAU) and the Uganda National Oil Company (UNOC) are key agencies in implementation. Other key partners in the programme are the Ministry of Finance, Planning and Economic Development (MFPED), National Environmental Authority (NEMA) and the private joint venture partners (TOTAL Energies, China National Offshore Oil Corporation /CNOOC).

1.4 Programme outcomes

The expected outcomes under the sustainable development of petroleum resources programme are:

i. Increased revenue from oil and gas resources.
ii. Increased contribution of the oil and gas sector to employment.
iii. Increased contracts awarded to Ugandan firms in the oil and gas value chain.
iv. Increased private investment in the oil & gas industry.
v. Improved safety in the oil and gas industry.
vi. Increased days of security stock levels of refined petroleum products.
vii. High-quality supply of refined petroleum products.

CHAPTER 2: METHODOLOGY

2.1 Scope

This monitoring report is based on selected interventions in the Sustainable Development of Petroleum Resources Programme covering the three sub-programmes. The interventions and respective outputs reviewed under each sub-programme, Ministry, Department and Agency/(MDAs)/Vote are listed in Annex 1. Monitoring involved analysis and tracking of inputs, activities, processes, and outputs in the Ministerial Policy Statements (MPSs), and annual and quarterly work plans, progress and performance reports of the MDAs. A total of 16 interventions were reviewed. The 16 reviewed interventions translated into 96.7% coverage of` projected funding under the MPS allocation.

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 and interventions that had a large volume of funds allocated were prioritized.
3. Planned outputs whose implementation commenced in the year of review, whether directly financed or not.
4. Completed projects to assess beneficiary satisfaction, value for money and intermediate outcomes.

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, planned outputs and intermediate outcomes were assessed by 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(MPS) FY 2022/23; National and Programme Budget Framework Papers; A handbook for implementation of NDPIII Gender and Equity commitments, Re-prioritized Programme Implementation Action Plans (PIAPs), quarterly progress reports and work plans for the respective implementing agencies, Quarterly Performance Reports, Budget Speech, Public Investment Plans, Approved Estimates of Revenue and Expenditure, project reports, strategic plans, policy documents, Aide Memoires and Evaluation Reports for selected programmes/projects.

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:

iii) Consultations and key informant interviews with Institutional heads, project managers at various implementation levels.

iv) Field visits to various districts, for primary data collection, from Household Heads, and service beneficiaries; observation and photography.

v) Call-backs in some cases were made to triangulate information.

2.2.2 Data Analysis

The data was analyzed 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 analyzed using advanced excel tools that aided interpretation. Comparative analyses were done using percentages, averages, and cross-tabulations of the outputs/interventions; intermediate outcome indicators and the overall scores. Performance of outputs/interventions and intermediate outcome indicators 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 output/intermediate outcomes in the ratio of 65%:35% respectively.

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

Table 2.1: Assessment guide to measure performance in FY 2022/23

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. 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 Limitations

i. Limited credible outcome performance data in the programme institutions.

ii. Lack of disaggregated financial information for some 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 respectively.

CHAPTER 3: PROGRAMME PERFORMANCE

3.1 Overall Programme Performance

Financial Performance

The budget for the programme was Ug shs 880.02 billion (bn), of which Ug shs 833.54bn (94.7%) was released and Ug shs 830.30bn (99.6%) spent by 30th June 2023. Much of the programme budget (76.9%) was allocated to UNOC's 15% equity contribution to the East African Crude Oil Pipeline (EACOP) under the Midstream Sub-programme. Table 3.1 gives the detailed programme budget performance for FY 2022/23 per sub-programme.

Table 3.1: Financial performance of the Sustainable Petroleum Development Programme by 30th June 2023

Sub-programme	Budget (Ug shs billion)	Release (Ug shs billion)	Expenditure (Ug shs billion)	Release as % of budget	Expenditure as % of release
Upstream	90.108	81.328	78.199	90.3	96.2
Midstream	742.579	713.723	713.598	96.1	100
Downstream	47.330	38.488	38.504	81.3	100
Total	**880.017**	**833.539**	**830.301**	**94.7**	**99.6**

Source: Approved Budget Estimates and Q4 Reports FY2022/23

The upstream sub programme did not absorb all the funds majorly due to delays in conclusion of procurement for equipment for the Petroleum Authority of Uganda (PAU). There was also delay in PAU staff recruitment and funds meant for wages and employee cost for the new staff were unspent.

Physical Performance

The programme performance for FY 2022/23 was fair at 67.6%. A total of Ug shs 125.5bn revenue was generated from oil and gas activities during the FY but this was a 16.8% decrease compared to FY 2021/22. The outcome performance for all the sub-programmes was fair. At the output level, only the Downstream Sub-programme had good performance, while both the Upstream and Midstream output performances were fair (table 3.2).

Table 3.2: Overall Performance of the Sustainable Development of Petroleum Resources Programme

	Sub-programme	Performance (%)
1	Upstream	65.4
2	Midstream	64.7
3	Downstream	72.6
Overall Programme Performance		**67.6**

Source: Author's Compilation

The construction works for the upstream facilities in Tilenga and Kingfisher progressed to 50% and 40% respectively but were behind schedule. One of the major highlights of achievements was the Government's conclusion of UNOC's 15% equity contribution (USD 308M) to EACOP to enable UNOC to execute its mandate as a financial arm of the Government. The EACOP construction had not begun due to the pending financial closure of the debt financing. A total of 375 SMEs were also trained in oil and gas skills but participation was lower than anticipated due to their low financial capacity and delay in construction works for midstream infrastructure to create more jobs. The compensation for the midstream infrastructure corridors was also behind schedule.

The Downstream Sub-programme attained good performance. During the FY, 89% of the planned restocking of Jinja Storage Terminal (JST) was achieved which however was still low as only 27% of the JST was utilised. Promotion of the use of LPG continued and 13,033 LPG cylinder kits were distributed and the land to accommodate the new LPG storage terminal was also acquired in Mukono. As part of regulation of the downstream activities 290 fuel retail outlets were inspected across the country against a planned target of 300 and a 99.2% quality compliance level was registered.

3.2 Upstream Sub-programme

The Upstream Sub-programme covers promotion, licensing, exploration, development and production of petroleum resources. It also monitors all petroleum upstream operations to ensure the exploitation of the petroleum resource in undertaken in an economically and environmentally conducive manner. The outcomes for the sub-programme include; the amount of revenue from the oil and gas sector, level of upstream oil and gas compliance, number of exploration licenses issued and percentage change in amount of revenue from oil and gas. The implementing agencies are the MEMD, PAU and UNOC.

The planned interventions in the sub-programme for FY 2022/23 that were monitored were:

i. Undertake further exploration and ventures of the Albertine Graben and Moroto-Kadam Basin
ii. Undertake construction and operationalization of upstream infrastructure projects
iii. Construct the Central Processing Facilities (CPFs) for Tilenga and Kingfisher projects
iv. Review, update relevant policies, and harmonize conflicting laws and regulations.
v. Establish Quality, Health, Safety, Security and Environment (QHSSE) governance and assurance framework

The sub-programme budget was Ug shs 90.11bn, of which Ug shs 81.33bn (90.3%) was released and Ug shs 78.2bn (96.2%) expended by 30th June 2023. The PAU took 72% (Ug shs 64.81bn) of the Upstream Sub-programme budget.

The target for increased revenue from oil and gas was met. However, there was a percentage decline of 16.8% in revenue generated from oil and gas between FY 2021/22 and FY 2022/23. The rest of the targets were not met namely, the level of upstream compliance, and the number of exploration activities undertaken.

Performance of the interventions
The overall intervention output performance was fair at 65.6%. Four interventions had fair performance while one performed poorly (table 3.3). The exploration of petroleum potential in the Moroto-Kadam Basin was at 78%, Albertine Graben was at 50% while exploration in Kyoga Basin was yet to commence. The construction of the upstream facilities was also at 45% but behind schedule. There was also a delay in equipping the National Petroleum Data Repository (NDPR) to monitor upstream facilities and progress was at 10% for MEMD and 32% for PAU. The intervention performance was generally affected by procurement delays and funding constrains for some of the activities.

Table 3.3: Performance of Interventions in the Upstream Sub-programme

Intervention	Performance Rating	Remarks
Undertake further exploration and ventures of the Albertine Graben		Fair performance at 68.3%. The second licensing round was completed and the third licensing was yet to commence. Exploration in Albertine Graben and Moroto Kadam basin were at 50% and 78% respectively.
Undertake construction and operationalisation of infrastructure projects		Fair performance at 65.5%. The National Petroleum Data Repository was at 32% progress. Designs for Modern Core and Real-Time Monitoring Centre (RTMC) were complete.
Construct the Central Processing Facilities (CPFs) for Tilenga and Kingfisher projects		Fair performance at 68.4%. The development of the upstream facilities in preparation for the first oil production in the Tilenga production area was 50% and 40% for Kingfisher.
Review, update relevant policies, and harmonize conflicting laws and regulations		Poor performance at 45.6%. The Terms of Reference (ToRs) for the M&E for the National Petroleum Policy (NPP) were produced and the NPP implementation plan was drafted.
Establish Quality, Health, Safety, Security and Environment (QHSSE) governance and assurance framework		Fair performance at 67.6%. The compliance level for the QHSSE oil and gas development was 92.5%. Inspections and trainings in HSE were undertaken.
Overall intervention output Performance		**Fair performance at 65.6%**

Source: Author's Compilation

3.2.1 Undertake further exploration and ventures of the Albertine Graben and Moroto-Kadam Basin

This intervention aims to establish petroleum potential in the country through undertaking exploration activities in the Albertine Graben (Hoima, Masindi, Nwoya, Buliisa), Moroto-Kadam and Lake Kyoga basins. The planned output was new exploration activities undertaken with the following targets:

- Acquisition of 250 line-km of geophysical data plus geological and geochemical mapping of 500sq. km in the Moroto Kadam basin as well as undertaking sensitization exercises in the frontier basins (Moroto-Kadam, Lake Kyoga and Hoima).
- Commence data acquisition in the Kyoga Basin
- Conclude the second licensing round for exploration and commence the 3rd licensing round
- Acquire specialized equipment and maintain specialized software packages to aid in the analysis and interpretation of seismic data of explored petroleum reservoirs
- Annual resource assessment undertaken
- Ten (10) field development plans (FDPs) and two (02) Reservoir Management Plans reviewed and the relevant aspects updated

Performance

The performance of the intervention was fair at 68.3%.

Exploration of Basins
A total of 120-line km (48% of target) of Geophysical data and 100 sq. km (20% of target) of Geological and Geochemical data acquired in the Moroto Kadam basin. The exploration in the Moroto-Kadam registered slow progress due to insecurity in the Karamoja area and cumulative progress stood at 78%. On the other hand, cumulative progress in the Albertine Graben was also behind schedule at 50%.

Pre-survey engagements with the communities in the Kyoga Basin in preparation for oil exploration were conducted. Desk studies to evaluate the hydrocarbon potential for the L. Kyoga and Hoima frontier basins were also undertaken but data acquisition had not commenced due to funding constraints.

The promotion of surveying of unexplored part of Albertine Graben to speculative companies was also undertaken. However, reconnaissance surveys for studies of areas of interest within the explored region were not held due to none release of funds for the activity and thus no permits were issued to speculative seismic companies. No additional petroleum resources had been quantified from the petroleum explorations undertaken in the FY.

Licensing Rounds
The second licensing round for five (5) blocks (Aviv, Omuka, Ngaji, Kasuruban, and Turaco)1 was finalised in a bid to promote investment in oil and gas. Two exploration licenses for Kasuruban and Turaco blocks were awarded to UNOC and DGR Global Limited respectively. The companies will undertake further exploration of the awarded blocks for two more years to ascertain investment opportunities.

The MEMD was also in the process of the preparation phase for the third licensing round to kick-start further oil and gas exploration in the country. However, the third licensing round was yet to commence.

Acquisition of equipment
The Petroleum Exploration and Production Department (PEPD) acquired and installed the Hawk Analyzer to aid in the analysis of samples collected from the exploration activities. Additionally, the MEMD procured 12 desktop computers, 10 laptops and 5 workstations for exploration staff. However, the procurements of more equipment such as the Palynological microscope for detailed sample analysis, office furniture for the new office building and renewal of specialized software licenses for PETREL and GEOSOFT had not been undertaken by the end of FY. The delay in renewing the licenses limits the ability of the PEPD to analyse data from the oil fields.

Other achievements included: second phase of basin analysis study for the southern Lake Albert and Semliki by the PAU which progressed to 80% and the Annual Resource Report for FY 2021/22 was published. The MEMD also produced a total of eight RAP reports for the Kingfisher and Tilenga fields and reviewed 10 Field Development Plans (FDPs) and two Reservoir Management Plans (RMPs) for Jobi East and Mpyo reservoir areas.

[1] Area coverage (km^2): Aviv – 1026; Omuka - 750; Ngaji - 1230; Kasuruban - 1285; Turaco - 637

3.2.2 Undertake construction and operationalization of infrastructure projects to ease monitoring of upstream activities

The intervention was aimed at establishing the enabling infrastructure to aid the upstream petroleum operations for the programme. The major goal of the intervention is to establish the National Petroleum Data Repository (NDPR) which will integrate data from the MEMD and PAU. The outputs for FY 2022/23 were:

- ICT and Data systems maintained
- Integrated data management system developed and
- Designs for the modern core store, Business Continuity and Disaster Recovery Centre completed and the Real Time Monitoring Centre (RTMC) Phase II implemented by PAU

Performance
The performance of the intervention was fair at 65.5%.

Developing the Integrated Data Management System
The PAU continued maintenance of the ICT and Data systems and the uptime was good at 98%. The maintenance of the existing core store and other systems and equipment also showed good performance. To better regulate oil and gas, PAU was in the process of procuring five vehicles, and new ICT equipment and the procurement had been concluded awaiting delivery by the supplier.

Specialised ICT equipment to integrate exploration data was procured by MEMD in preparation for installing the data management system. However, the server had not been procured due to procurement delays thus the system was not yet up and running as planned.

Equipping of the National Petroleum Data Repository
The PAU was also developing components for the NPDR, however the progress was behind schedule at 32% by 30th June 2023 against the annual target of 60%. The designs for the Modern Core Store to preserve petroleum exploration data and Real-Time Monitoring Centre (RTMC) to provide real-time information and monitor drilling, production and crude oil transportation were completed.

The procurement for a contractor to setup and operationalise the RTMC was at bid evaluation with funds for the activity released. The design for the Business Continuity and Disaster Recovery Centre and installation of the Modern Core Store had not commenced due to non-allocation of funds despite being deferred from FY 2021/22.

The minimal progress from 25% of the previous FY 2021/22 to 32% by the end of FY 2022/23 was attributed to procurement delays and funding constraints. There was low technical capacity to conclude the RTMC procurement and the process stagnated at bid evaluation. The PAU was sourcing for a consultant to support the bid evaluation process.

3.2.3 Construct the Central Processing Facilities for Tilenga and Kingfisher projects

The development of Central Processing Facilities (CPFs) includes; well drilling, construction of flow lines connecting the fields (Tilenga[2] and Kingfisher[3]) to the CPFs, construction of the pipeline from the CPF to the Export hub in Kabaale, Hoima and implementation of Resettlement Action Plan (RAP) for Persons affected by the project infrastructure as well as construction of other supporting infrastructure such as temporary and permanent operation support base camps.

The planned outputs under the intervention for FY 2022/23 were Central Processing Facilities (CPFs) constructed; RAP for the Kingfisher and Tilenga fields implemented and supporting infrastructure constructed.

Performance
The performance of the intervention was fair at 68.4%. Development of the upstream facilities in preparation for the first oil production in the Tilenga production area was 50% and 40% for Kingfisher against a planned target of 67%. A total of three drilling rigs had been delivered in Tilenga (02) and Kingfisher (01) areas. The civil works for the enabling infrastructure (industrial area site preparation, access roads, well pads, camps, construction support bases) were at 92% and 66% for Tilenga and Kingfisher areas respectively by 30th June 2023.

Tilenga Development Area
The Tilenga has a total of 426 wells and 31 well pads and expected to produce 190,000 barrels per day at peak production. The Tilenga industrial site preparations for enabling infrastructure were at 92% against a planned progress of 100% with the construction base camp completed. Two drilling rigs were delivered for Tilenga and the first well was drilled on 28th June 2023. Drilling of reference wells was ongoing at Ngiri 3 and Job Rii 5 well pads.

The foundations for the main pipe rack in the CPF area was also complete and the levelling of the operation support base camp was finished. Pending works were the construction of the foundations for the LPG plant at the CPF and the gas turbine generator. The construction of the camp to accommodate 3,000 workers was partially complete with 1,300 units ready for occupation.

Total Energies which is operating the Tilenga Area continued to undertake Resettlement Action Plans (RAP) of persons displaced by project activities. The RAP is divided into 5 components, with RAP 1 covering the Central Processing Facilities while RAP 2-5 covers the Tilenga field access roads, well pads, feeder pipelines and flow lines. Cash compensations were at 95% (4,695/4,930 PAPs) and a total of 105 resettlement houses (51%) were completed. There is a need to fast-track track complete construction of the resettlement houses.

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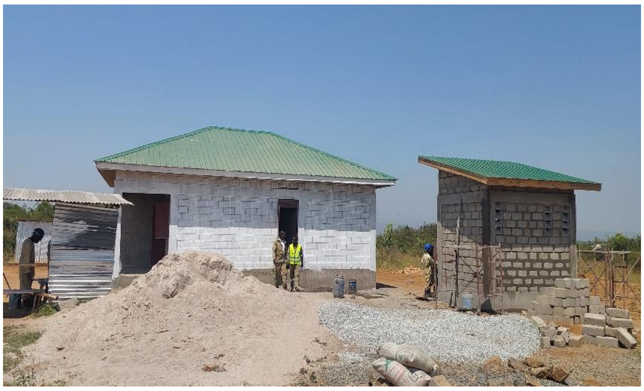
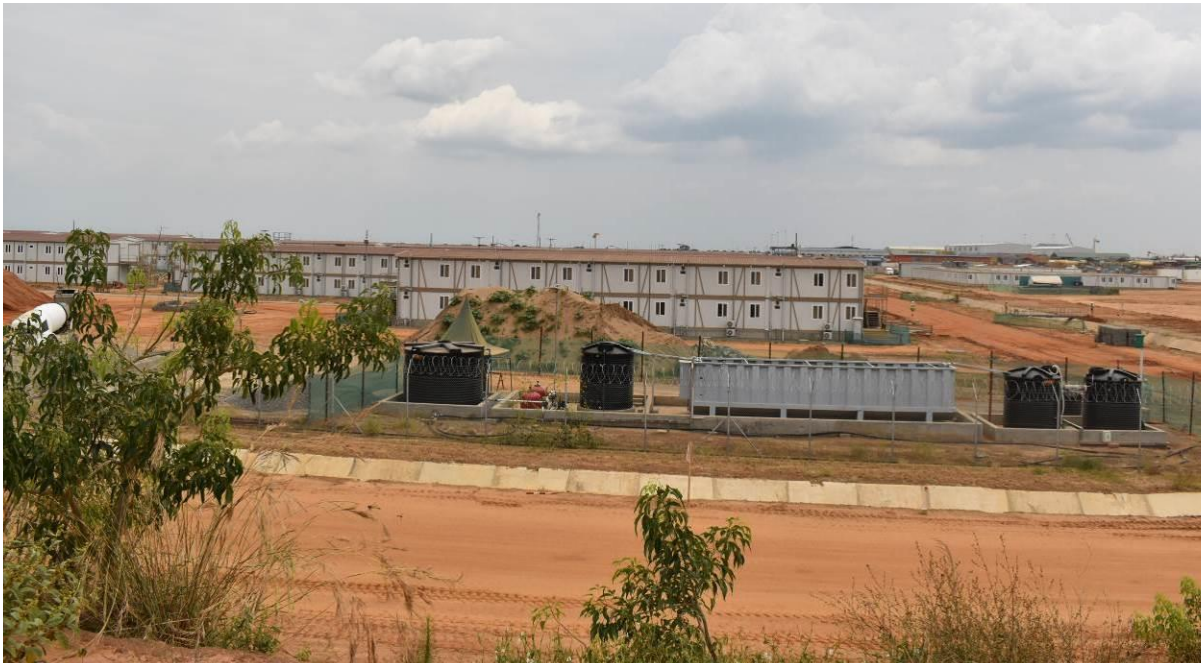
[2] The Tilenga field under Total Energies is located in Nwoya and Buliisa Districts
[3] Kingfisher field under Chinese National Offshore Oil Company (CNOOC) is located in Kikuube District

L-R: Delivered drilling pipes at the Tilenga CPF: An operational drilling rig Tilenga Ngiri 3 well



L-R: Foundations works for the main pipe rack at Tilenga CPF; Works at a resettlement house in Buliisa district



Completed temporary worker's housing units at the Tilenga CPF

Kingfisher Development Area
The drilling rig for the Kingfisher was delivered to site and assembled. The Chinese National Offshore Oil Corporation (CNOOC) which operates the Kingfisher development area spudded development wells on 24th January 2023. The drilling for the first development well at well pad 2 was completed on 16th June 2023. Drilling of other oil producer wells at well pad 2 was ongoing.

To prepare for drilling at the remaining three (3) well pads, the civil works on well pad 3 were complete while works at well pad 1 were ongoing but civil works at well pad 4 had not yet commenced. The compensation of the affected persons and construction of resettlement houses for the communities in Buhuka Parish, Kikuube District in the Kingfisher area was completed. The RAP implementation for the feeder pipeline from the Kingfisher CPF to the export hub in Kabaale was also nearing completion and about 90% of the PAPs had been compensated.


L-R: An operational drilling rig at well pad 2 in Kingfisher area; Ongoing civil works at well pad 1 for directional drilling in the Kingfisher area

3.2.4 Review, update relevant policies, and harmonize conflicting laws and regulations

The intervention aims at harmonizing conflicting policies, laws and regulations for effective regulation of oil and gas. The outputs for the FY 2022/23 were: the development of the National Petroleum Policy (NPP) Monitoring and Evaluation (M&E) framework, and decommissioning and fiscal metering regulations.

Performance
The performance was poor. Although the Terms of Reference (ToRs) for the M&E for the NPP were produced and the NPP implementation plan drafted, field activities for collecting baseline information were not undertaken due to funding constraints. The development of the M&E framework was therefore not concluded by 30th June 2023.

A workshop to develop fiscal metering regulations was held but formulation of the standards was not initiated. The decommission strategy was not developed due to prioritization of the development of the gas utilization strategy instead.

3.2.5 Establish Quality, Health, Safety, Security & Environment governance and assurance framework

The intervention targets having a safe working environment in oil and gas by promoting Quality, Health, Safety, Security and Environment (QHSSE) guidelines.

The outputs for FY 2022/23 were: engagements on QHSSE held with stakeholders, QHSSE reports for the production licenses issued produced, QHSSE standards developed in the Petroleum Programme and Social Media Strategy for the Directorate Sub-Sector Communication Strategy implemented.

Performance

The performance was fair at 67.6%. Overall, the compliance level for the QHSSE oil and gas development areas increased from 85.2% in FY 2021/22 to 92.5% by 30th June 2023 but is still below the annual target of 99.1%.

The PAU inspected the Health, Safety and Environment (HSE) measures implemented in the Tilenga and Kingfisher development areas during activities such as rig assembly and civil works at the Central Processing Facilities among others. A total of nine reports were produced and shared with stakeholders (NEMA, MEMD). To ensure compliance with the environment and social safeguards, PAU undertook quarterly monitoring of the RAP implementation under the Tilenga Development project.

Trainings in QHSSE were also undertaken in the environment and social safeguards, incident management, biodiversity monitoring, and International Finance Corporation (IFC) performance. Engagements were also held with stakeholders[4] on QHSSE in oil and gas aimed at providing a framework for standards of equipment and materials.

A total of seven radio talk shows were held in the five regions of Uganda. (Northern, Eastern, Central, Western, and Southern regions) to give updates on the developments in the petroleum sector as a media strategy for oil and gas activities. However, no new QHSSE standards were developed awaiting the conclusion of the development of the QHSSE code. The detailed performance of the Upstream Sub-programme is highlighted in Table 3.4.

Table 3.4: Performance of the Upstream Sub-programme by 30th June 2023

Intervention	Output	Annual Budget (Ug shs billion)	% of budget received	% of budget spent	Annual Target	Cum. Achieved Quantity	Physical performance Score (%)
Undertake further exploration and ventures of the Albertine Graben	Data acquisition in Moroto Kadam and Kyoga basins	7.2	49.7	100.7	100	34.5	69.41
	Two reconnaissance permits issued, 3rd Licensing round commenced and	2.0	63.8	100.0	100	40.0	62.75

[4] Uganda National Bureau of Standards (UNBS), Tanzania's Energy and Water Utilities Regulatory Authority (EWURA), Tanzania Bureau of Standards (TBS), Total Energies

Intervention	Output	Annual Budget (Ug shs billion)	% of budget received	% of budget spent	Annual Target	Cum. Achieved Quantity	Physical performance Score (%)
	EAPCE conference held						
	Exploration activities regulated	3.99	100.0	96.6	99	87.0	87.88
	Design for Kabalega Industrial Park (KIP) completed	8.79	100.0	100.0	100	53.0	53.00
Undertake construction and operationalization of infrastructure projects to ease monitoring of upstream activities	Integrated data management system developed	1.94	17.4	100.1	100	12.0	69.04
	National Petroleum Data Repository established	5.50	75.5	98.1	100	32.8	43.37
	PAU data systems maintained	3.89	100.0	88.0	100	85.0	85.00
	Retooling equipment for PAU	8.15	98.8	94.9	100	64.0	64.78
Construct the Central Processing Facilities (CPFs) for Tilenga and Kingfisher projects	Supervision of Kingfisher and Tilenga projects, RAP	3.53	74.8	99.2	47	23.5	66.86
	Work programme and budget were reviewed and approved	11.53	100.0	97.0	100	69.9	69.90
Review and update relevant policies	Conflicting policies, laws and regulations harmonized	0.20	77.8	100.0	100	35.5	45.63
Establish QHSSE governance and assurance framework	Five QHSSE standards and social media strategy developed.	0.10	64.9	100.0	100	32.0	49.32
	Supervision and training in QHSSE	6.92	100.0	91.7	99	85.0	85.86
	Total	**63.77**	**86.9**	**96.4**			
Average Outputs Performance							65.60
Outcomes Performance							
Outcome Indicator				**Annual Target**		**Achieved**	**Score (%)**

Intervention	Output	Annual Budget (Ug shs billion)	% of budget received	% of budget spent	Annual Target	Cum. Achieved Quantity	Physical performance Score (%)

Increased oil and gas revenue (Ug shs billion)	100	125.387	100
Level of upstream oil and gas compliance	99.1	92.5	93
Number of exploration licenses issued	3	2	67
Percentage change in the amount of revenue from oil and gas	2	0	0
Average Outcome Performance			**65.0**
Overall Upstream Sub-programme Performance			**65.4**

Source: MEMD and PAU Q4 Reports, Field Findings

Challenges

1. The compensation of project-affected persons on some of the upstream infrastructure was slow creating a prolonged disruption to the livelihoods and social wellbeing of the local communities. This poses a reputational risk to the project partners.
2. The MEMD had not procured the renewed licenses for the specialized software programs required for downstream Oil and Gas data analysis due to lack of funding. Likewise, the implementation of the data repository system under PAU was also affected by the release of funds.

Recommendations

1. The Joint Venture Partners with support from MEMD should fast-track the compensation and completion of resettlement houses for the Tilenga Project.
2. The MEMD and PAU should prioritize funding for essential IT infrastructure and software tools to enable better management and regulation of the oil and gas resources.

Sub-programme Conclusion

The sub-programme overall performance was fair with both outcome and outputs performing fairly. Exploration of the Moroto-Kadam basin was fair unlike that in the Albertine and Kyoga basins which performed poorly. The second licensing round for the exploration of two of the five blocks was concluded and two exploration licenses were awarded. The development of the Tilenga and Kingfisher projects to fast track the country's first oil had also progressed with drilling at a total of three well pads but RAP implementation for the communities was lagging. The sub-programme activities were affected by delay in procurement and limited funds for implementation.

3.3 Midstream Sub-Programme

The Midstream Sub-programme consists of activities about transportation, refining of oil and conversion of gas into finished products. The sub-programme also focuses on developing the technical and financial capacity of the Ugandan population in oil and gas as well as promoting investment. The sub-programme outcomes are; the number of Ugandans employed in the oil and gas and related industries, level of midstream oil and gas compliance, percentage change in the amount of revenue from oil and gas and number of contracts awarded to local companies.

The planned interventions for FY 2022/23 were:

i. Undertake construction and operationalization of midstream infrastructure projects in the Albertine region to ease the movement of goods.
ii. Capitalize and/or license UNOC to execute its mandate as an investment arm of the Government in the oil and gas industry.
iii. Provide SMEs with both technical (training) and financial support to enhance their participation in tendering and delivery of contracts.
iv. Fast Track Skilling, training and international accreditation of Ugandans for employment and service provision in the development phase of the oil and gas sector.
v. Establish an oil and gas incubation fund to promote local entrepreneurship and SMEs.
vi. Implementation of a strategy on value addition and marketing of goods and services that will be demanded by the oil and gas sector.
vii. Implement the Agricultural Development Strategy for the Albertine Region.

The overall Midstream Sub-programme performance was fair at 64.7%. The sub-programme budget was Ug shs 742.58bn. Release and expenditure were both very good at 96.1% (Ug shs 713.72bn) and 99.98% (Ug shs 713.6bn) respectively. The completion of the 15% UNOC's equity contribution took 91.1% (Ug shs 676.4bn) of the sub-programme budget.

The sub-programme outcome performance was fair with only one outcome of *increased number of Ugandans employed in oil and gas* met. The outcomes of level of compliance and increase of revenue from oil and gas were both not met.

Performance of the interventions

The overall output intervention performance was fair at 66.7% (table 3.5). For the seven monitored interventions, two showed good performance, three were fair and two performed poorly. The major highlight was the completion of UNOC's 15% share contribution in EACOP worth USD 308 million (Ug shs 1.157 trillion). Training and skilling of local firms in oil and gas to enhance their participation showed good performance whereas skilling of Vocational institutions was fair. Development of strategies to enhance supplied goods and services and also promote participation of the agricultural sector did not progress due to a lack of funds to undertake intervention activities.

Table 3.5: Performance of interventions in the Midstream Sub-programme

Intervention	Performance Rating	Remarks
Undertake construction and operationalization of infrastructure projects in the Albertine region to ease the movement of goods		Fair performance at 69.6%. RAPs for the Refinery, EACOP and Multi Products pipeline were at 98.3%, 80% and 51% respectively. Refinery post FEED were not complete.
Capitalize and/or license UNOC to execute its mandate as an investment arm of Government in oil and gas industry.		Good performance at 82%. The UNOC's 15% equity contribution for EACOP was completed. Financial closure for the 60% debt financing had not been reached.
Provide SMEs both technical (training) and financial support to enhance their participation in tendering and of delivery of contracts		Good performance at 78%. A total of 375 SMEs were trained and registering SMEs was achieved. However, only 24% of registered SMEs benefited from the opportunities available in oil and gas.

Intervention	Performance Rating	Remarks
Fast Track Skilling, training and international accreditation of Ugandans for employment and service provision in the development phase of the oil and gas sector		Fair performance at 69%. A total of 1,233 of the targeted 1,600 talents were registered by PAU. MoES trained 270 instructors and students at vocational institutions in oil and gas skills.
Establish an oil and gas incubation fund to promote local entrepreneurship and SMEs		Fair performance at 61.1%. The certificate of financial implication for the Local Content Fund act was awarded by MFPED. MEMD was developing the Local Content Bill.
Implementation of a strategy on value addition and marketing of goods and services that will be demanded by the oil and gas sector		Poor performance at 46.5%. The draft ToRs for the strategy were finalized. Publishing and dissemination of ToRs not done.
Implement the Agricultural Development Strategy for the Albertine region		Poor performance at 49.1%. A total of 160 youth and households were enrolled as beneficiaries. Awareness campaigns not undertaken due to funds.
Overall intervention output Performance		**Fair performance at 66.7%**

Source: Author's Compilation

3.3.1 Undertake construction, operationalization of infrastructure projects in the Albertine region to ease movement of goods

The intervention aims at the establishment of midstream petroleum infrastructure including oil refinery, product pipeline and EACOP for refining and transportation of oil during production. The planned outputs for the FY 2022/23 were:

i. Conclude key agreements and compensation of affected persons for the Oil Refinery
ii. Conclude acquisition of EACOP and multiproduct pipeline corridors through resettlement activities
iii. A feasibility study for the natural gas pipeline completed and land for two regional offices acquired.

Performance
The intervention performance was fair. The progress of the various outputs is discussed hereafter:

Refinery Development
The Refinery Final Investment Decision to kick start development had not been reached because the lead investor, M/s Albertine Graben Refinery Consortium (AGRC) had not completed the post-Front End Engineering Design (FEED) activities. Additionally, the Refinery Project Framework Agreement (PFA) expired on 30th June 2023 and the refinery development is now being managed as a public sector-led project. The UNOC was also in the process of undertaking feasibility studies for the integrated fertilizer complex and refinery integrated petrochemical complex as part of the Kabaale Industrial Park (KIP).

As part of the Refinery's 40% equity financing, the Government through the UNOC had secured Ug shs 171.74bn as part of Refinery equity for FY 2023/24. The conclusion of the FID will also hasten the financial closure of the refinery debt financing.

The progress of refinery RAP was poor. The transfer of land titles to the PAPs paid in the previous FYs was ongoing. The MEMD was grappling with absentee landlords and the refinery RAP had stagnated at 98.3% since FY 2021/22 which minimal progress in FY 2022/23.

The RAP evaluation report for the water extraction point in Mbegu for refinery cooling was approved by the Chief Government Valuer (CGV). The cash compensation for the 30m corridor for the water pipeline from Mbegu to Kabalega Industrial Park by UNOC was expected to commence in FY 2023/24.

Pipelines Development

The MEMD and the Joint Venture Partners were in the process of developing the EACOP and product pipelines. The EACOP is 1,443km long from the export hub in Kabaale, Hoima district in Uganda to Tanga Port in Tanzania, with 80% of the pipeline in Tanzania. The multi-product pipeline on the other hand is 211km long and will evacuate refined products from the refinery to a storage terminal at Namwabula, Mpigi District.

a) Pipelines Construction

The Final Investment Decision for the EACOP, Host Government Agreements, and Inter-Governmental Agreements were negotiated and concluded. The construction license for the EACOP was awarded to the Joint Venture Partners during the FY 2022/23 and its detailed design had progressed to 58%. The Joint Venture Partners fulfilled their equity contribution to the EACOP, but the financial closure for the debt financing of the project had not yet been achieved.

The FEED studies for the finished products pipeline from Hoima also completed and the land for the storage facilities fully acquired. The Government was securing financing for the construction of the pipeline.

b) Acquisition of pipeline corridors

The cash compensation for the EACOP pipeline was at 80% (3,649 of 4,561 PAPs) and 87% of the PAPs had signed compensation agreements. A total of 177 of the 190 resettlement houses were also completed and handed over to the PAPs. Land access in Tanzania was expected to be completed by October 2023. The MEMD and joint venture partner should therefore fast-track the conclusion of the acquisition of the EACOP pipeline corridor.

The Product Pipeline RAP was at 51% (2,180 of 4,270). A total of 74.4% (3,175) had signed compensation agreements. However, 23.3% (995) of these had not been paid due to inadequate funds for the activity with only 33.8% released in the FY. There was also low staffing for effective monitoring of works and the MEMD was handling the remaining 25.6% of the PAPs who had not signed compensation agreements due to rejection of land rates and absentee landlords.

c) Development of Regional Offices Natural Gas Pipeline

In a bid to decentralize midstream functions, the payment of land for GOU EACOP offices in Tanzania and the Hoima Regional Office was concluded. The designs for the two offices will be undertaken in the preceding FY 2023/24.

The development of the natural gas pipeline from Tanzania to Uganda to support iron ore mineral processing showed poor progress. The procurement of a consultant to undertake the feasibility study for the natural gas pipeline had not been undertaken because the procurement rules and bilateral agreements negotiations between the host nations were not concluded.

3.3.2 Capitalize and/or license Uganda National Oil Company to execute its mandate as an investment arm of Government in oil and gas industry

This intervention was aimed at providing equity financing to UNOC to enable it to execute its mandate as an investment arm of the Government in oil and gas industry through: state participation in production licenses; propose new petroleum exploration ventures; develop, own and operate oil refinery, oil pipelines, storage terminals and other related facilities.

The planned output for FY 2022/23 was the conclusion of UNOC's required financing of 15% shareholding in the EACOP to carry out operations including; funding of works on the EACOP, the ESIA for EACOP, EACOP land acquisition, Oil Refinery Pre-FID activities and other supporting activities in the oil gas sector.

Performance

The performance was good. The Government completed the UNOC EACOP 15% equity contribution. A total of Ug shs 676.4bn was released in FY 2022/23 to UNOC concluding the total equity contribution of USD 308M (Ug shs 1.157 trillion). The equity to debt ratio for EACOP stands at 60:40. The Equity contribution from other partners: Total Energies (62%), Tanzania Petroleum Development Corporation/TPDC (15%) and CNOOC (8%) had also progressed.

The construction permit for EACOP was granted for the commencement of the construction activities in Uganda. However, the Government and Joint Venture Partners had not reached financial closure for the debt financing and negotiations were ongoing with potential funders. The procurement of contractors to undertake EACOP construction was awaiting the completion of the closure for the debt financing. In preparation for construction works, the EACOP land acquisition process continued and had progressed to 80% by 30th June 2023 up from 25.9% in FY 2021/22 but was still behind schedule.

The Government and Joint Venture Partners should therefore fast-track the conclusion of financial closure as well as finalisation of the land acquisition if the goal of oil production by 2025 is to be met.

3.3.3 Provide SMEs both technical (training) and financial support to enhance their participation in the tendering and of delivery of contracts

The intervention aims at training local Small and Medium Enterprises in oil and gas skills as well as providing financial support. This is to enable them to successfully implement oil and gas contracts to enhance their participation in tendering and delivery of contracts. The planned outputs for FY 2022/23 were:

i. 300 enterprises trained in bid information
ii. 12 supplier development workshops conducted
iii. 1,600 talents and 400 local firms registered on the database

Performance

The intervention showed good performance at 78%. Training of the local population in oil and gas and provision of employment opportunities in the sector continued.

Training
A total of 375 enterprises were trained in bid evaluation. To develop different technical skills of local businesses in the host districts, 13 supplier development workshops were held and more than 500 community suppliers received Business Development Training (BDT) in Kikuube, Hoima, Buliisa, Nwoya, Pakwach, and Masindi. Additionally, 280 enterprises benefited from 10 EACOP districts[5]. A total of 13 sensitization engagements on the National Oil and Gas Talent Register and National Supplier Database were also undertaken. One additional workshop was held by MEMD in Lira District with Vocational Training Institutions on skills requirements for the Oil and gas sector.

To boost the inclusive economic development of the various SMEs, the PAU conducted studies[6] with the sectors of Agriculture, Tourism, Housing, ICT, and Health and draft reports were produced.

Promotion of National Content
To promote national content, the PAU registered local capacity on the National Supplier Database (NSD). The NSD established in 2017 captures companies with interest and readiness to supply goods and services in the sector and regulates procurement of goods and services while ensuring prioritization of local firms. The target of registering 400 firms on the NSD was achieved with 835 local firms registered on the system during the FY. Of these, the participating Ugandan firms increased from 109 in FY 2021/22 to 202 in FY 2022/23. Additionally, 710 Contracts worth USD 362M were awarded to 233 companies to supply goods and services in the oil and gas sector. Of these, 609 contracts worth USD 236M (65%) were awarded to 202 (87%) Ugandan companies.

With only 24.2% of registered local firms participating, the MEMD and PAU continued skilling local capacity to enhance involvement. The Local Content Fund and the value addition of goods supplied strategy led by MEMD to improve local participation had poor progress.

3.3.4 Fast-track skilling, training and international accreditation of Ugandans for employment and service provision in the development phase of the oil and gas sector
The intervention focuses on capacity-building initiatives for the Ugandan population and vocational institutions for employment and service provision in the development phase of the oil and gas sector. For the five-year period, the aim is to have at least 5 Vocational Training Institutions (VTIs) internationally accredited and at least 50% of local suppliers internationally accredited in ISO and related certifications. The intervention is implemented in partnership with the Ministry of Education and Sports (MoES).

For the FY 2022/23, the planned outputs were:

i. Capacity building of Vocational Institutions and students in oil and gas
ii. Promotion of national content in the Oil and Gas Sector by registering a total of 1,600 talents on the database

[5] Hoima, Kikuube, Kakumiro, Kyankwanzi, Mubende, Gomba, Sembabule, Lwengo, Kyotera and Rakai.
[6] Banking and financial services, Tourism linkages, Real estate, ICT linkages and Health studies.

Performance

The performance was fair. To improve institutional performance through management training, a total of 270 (27%) vocational instructors and workshop assistants were trained in oil and gas management skills (table 3.6).

Table 3.6: Status of Vocational Capacity Training

Category	Planned	Achieved	Male	Female
Institutional Management	220	224	175	49
Skills Upgrading for Instructors	692	46	43	3
Total	**912**	**270**	**218**	**52**

Source: Field Findings

Institutional management skilling showed good performance whereas the target for the skills upgrading for instructors was not met. Training activities were affected by delays in the transfer of funds to the institutions. Despite the delays, the completed trainings were relevant but inadequate given the duration that the training schedules provided. The skilling of students also continues and a total of 32 (19 males, and 13 females) scholarships were awarded to undertake Doctor of Philosophy (PhD) and Masters studies in India, Kenya and Uganda.

To promote national content, the PAU also registered trained students and talents who can work in oil and gas on the National Oil and Gas Talent Register (NOGTR). The NOGTR captures the talent of both local firms and individuals who can potentially work in the oil and gas sector. On the NOGTR, a total of 1,233 talents (957 males and 276 females) were registered during the FY 2022/23 bringing the total number of registered talents to 8,319 (6,508 males and 1,811 females). Cumulatively, a total of 12,949 people were employed in oil and gas of which 12,121 (94%) were Ugandans and of these, 3,871 (32%) were from the host communities in Kikuube, Hoima, Masindi and Buliisa districts.

3.3.5 Establish an oil and gas incubation fund to promote local entrepreneurship and Small and Medium Enterprises

Over the past years, there has been an increase in the number of local firms ready to participate in oil and gas. However, their level of participation by contract value has been minimal since the sector is capital-intensive and they cannot effectively compete with foreign firms due to lack of capital limited by the high interest rates charged by commercial banks. The intervention therefore aims at establishing and operationalization of a local content fund to enhance their financial capacity in preparation for the oil and gas development phase. The output for the FY 2022/23 was the Local Content Development Fund Act developed.

Performance

The performance was fair. The Local Content Development Fund Act was developed to promote and enhance the financial capacity of local firms. The certificate of financial implication for the Local Content Development Fund Act was awarded by the Ministry of Finance, Planning and Economic Development (MFPED). The MEMD was embarking on the process of development of the Local Content Bill to operationalise the Fund.

The Fund is envisaged to be financed by a 1% deduction on awarded goods and services contracts and held at the Uganda Development Bank (UDB). The local content policy regulations were also translated into various local languages. The delay in implementing the local content fund was negatively impacting on the participation of local firms in oil and gas.

3.3.6 Implementation of a strategy on value addition and marketing of goods and services that will be demanded by the oil and gas sector

This intervention aims at adding value to the goods supplied which in turn is expected to enhance the financial benefits of the business communities and ensure sustainability of participation in oil and gas. The output for FY 2022/23 was value addition and a marketing strategy for the petroleum sector was developed.

Performance

The progress of the development of the strategy was poor. The draft ToRs were finalized and submitted for review. The awareness campaigns for the strategy were also being undertaken and had not been completed by 30th June 2023. Additionally, the procurement for the publishing and dissemination of the value-addition strategy for goods and services was not yet finalized and was at contract signature.

3.3.7 Implement the Agricultural Development Strategy for the Albertine Region

The intervention focuses on developing the agricultural capacity of farmers in the Albertine region so that they fully benefit from the oil and gas development and the anticipated production phase. The output for FY 2022/23 was to develop an agricultural development strategy for farmers along the EACOP route.

Performance

The performance was poor. An assessment to articulate the needs of farmers in districts affected by the EACOP project was concluded. Over 160 youths were enrolled for vocational training at institutes in Hoima and Masaka as part of the livelihood support programs. Households in the EACOP areas were also sensitized on the planned agricultural development initiatives that will include training and provision of farm inputs and supplements. The availability of the farm inputs for distribution was not undertaken due to funding constraints.

The agricultural strategy to address the needs of farmers was however not yet developed. The activity was affected by a lack of funds to undertake awareness campaigns and sensitization of farmers and other stakeholders. The detailed performance of the Midstream Sub-programme is highlighted in Table 3.7.

Table 3.7: Performance of the Midstream Sub-programme by 30th June 2023

Intervention	Output	Annual Budget (Ug shs billion)	% of budget received	% of budget spent	Annual Target	Cum. Achieved Quantity	Physical Performance Score (%)
Undertake construction and operationalization of infrastructure projects in the Albertine region to ease the movement of goods	Refinery agreements, RAP and water system at Kyakaboga Multi Products Pipeline RAP implemented	41.20	33.8	100.0	100	25.0	73.92
	Supervision of EACOP RAP and Feasibility study of natural gas pipeline undertaken vehicles procured	5.80	75.6	99.9	100	42.0	55.59
	Designs, cost estimates, midstream operations EACOP, Refinery and Product Pipeline completed	3.76	100.0	100.0	100	85.0	85.00
	Development of Kabalega Industrial Park	4.39	100.0	100.0	100	67.0	67.00
	Midstream standards developed. Midstream infrastructure development monitored	0.47	63.4	100.6	100	42.0	66.28
Capitalise UNOC to execute its mandate as an investment arm of the Government in the oil and gas industry	UNOC's 15% EACOP equity contribution completed	676.40	100.0	100.0	100	82.0	82.00
Provide SMEs with both technical (training) and financial support to enhance their participation	National Content Policy implemented	6.15	100.0	97.9	100	78.0	78.00
Establish an oil and gas incubation fund to promote local entrepreneurship and SME's	The local Content Development Fund act developed	0.53	75.3	100.0	100	46.0	61.07

Intervention	Output	Annual Budget (Ug shs billion)	% of budget received	% of budget spent	Annual Target	Cum. Achieved Quantity	Physical Performance Score (%)
Fast Track Skilling (e.g., apprenticeship), Training and International Accreditation of Ugandans	Two international oil and gas accreditations localised	0.53	75.3	100.0	100	53.4	69.00
Implementation of a strategy for value addition and marketing of goods and services	Value addition and marketing strategy and plan for the oil and gas sector developed	0.23	75.3	100.0	100	35.0	46.47
Implement the Agricultural Development Strategy for the Albertine Region	Agricultural development strategy of farmers along the EACOP developed	0.23	75.3	100.0	100	37.0	49.12
	Total	**739.72**	**96.0**	**99.98**			
Average Outputs Performance							**66.68**
Outcomes Performance							
Outcome Indicator					**Annual Target**	**Achieved**	**Score (%)**
Increased number of Ugandans employed in oil and gas and related industries					10,000	12,949	100
Level of oil and gas compliance for midstream infrastructure					100	83.3	83
Percentage change in the amount of revenue from oil and gas					2	0	0
Average Outcome Performance							**61.1**
Overall Midstream Sub-programme Performance							**64.7**

Source: MEMD and PAU Q4 Reports, Field Findings

Challenges

1. Delay to reach financial closure by both the GoU and the Joint Venture Partners. The private joint venture partners had not secured loan financing needed to implement the EACOP project which was going to further delay the production of the first oil.
2. The delayed commencement of development of midstream petroleum infrastructure (refinery, pipelines) and the low financial capacity of local firms led to low realization of direct and indirect jobs. Only 24.2% of enterprises that had been registered benefited from oil and gas business and employment growth opportunities.
3. The implementation of the RAP for the EACOP pipeline was behind schedule risking bad publicity on the project.
4. The funding constraints were leading to delayed implementation of compensation of product pipeline and development of value addition strategies for enhancing local capacity.

Recommendations

1. The Government and Joint Venture Partners should fast-track the conclusion of the financial closure for the EACOP project so that construction can commence.
2. The MEMD and MFPED should support the Joint venture partners so that funding for the pre-production activities including compensation is completed so that further delay to the oil production is reduced.
3. The MEMD should fast-track the development of the value-addition strategy for goods and services to improve the financial benefits of the local firms that take part in oil and gas.

Midstream Sub-programme Conclusion

The overall sub-programme performance was fair. Both outcome and output performance were fair. The key achievement was the conclusion of UNOC's 15% equity contribution to EACOP to enable it to execute its mandate as a financial arm of the Government. However, the Government and joint venture partners had not yet secured the 60% debt financing for the EACOP pipeline hence no construction works had been undertaken in the FY. The midstream infrastructure development was therefore behind schedule. In preparation for construction works, the RAP implementation for EACOP was underway and showed fair progress while that of the products pipeline was poor due to low release (33.8%). The target of training SMEs was also achieved but few had benefited from oil and gas opportunities due to their low financial capacity and delay in EACOP construction works which could have generated more jobs. The Local Content Fund to address this financial capacity limitation for SMEs was not yet operational and the MEMD was in the process of developing the Local Content Bill to operationalise the fund.

3.4 Downstream Sub-programme

The Downstream Sub-programme deals with distribution, marketing and sale of refined petroleum products within the country. The sub-programme outcomes are; adequate stock of petroleum products on the market and the level of compliance of petroleum quality. The three planned interventions were:

i. Manage and restock Jinja Storage Terminal (JST)
ii. Invest in Liquefied Petroleum Gas (LPG) infrastructure
iii. Develop strategic regional storage terminals for petroleum products
iv. Development of standards for storage infrastructure and other facilities

The overall Downstream Sub-programme performance was good at 72.6%. The sub-programme budget was Ug shs 47.33bn, of which Ug shs 38.5bn was released and all released funds absorbed.

The sub-programme outcome performance was fair. The level of compliance of petroleum supply quality was at 99.2% while performance for increased national storage was poor with only 8 of the 30 million litres for JST restocked. The financing for the development of Kampala Storage terminal to improve on stock levels was not yet secured.

Performance of the interventions

The sub-programme output performance was good at 77.8% (table 3.8). The restocking of JST was good with 8 million of the annual target of 9 million litres achieved. A total of 71% of the retail outlets were also monitored for compliance with petroleum quality and enforcement undertaken. Distribution of LPG cylinder kits was good with 13,033 disseminated and 20 acres of land for LPG storage terminal acquired in Mukono. The development of the Kampala

Storage Terminal (KST) had not progressed because financial closure with a joint venture partner had not been reached.

Table 3.8: Performance of Interventions under the Downstream Sub-programme

Intervention	Performance Rating	Remarks
Restock and manage Jinja Storage Terminal		Good performance at 87%. UNOC restocked 8 million of the planned 9 million litres.
Invest in LPG infrastructure		Good performance at 79.3%. A total of 13,033 LPG cylinder kits were distributed and 20 acres of land for the storage terminal were acquired in Mukono.
Develop strategic regional storage terminals for petroleum products		Fair performance at 63.9%. ToRs for Lake transport of refined petroleum regulation was drafted. Partner for developing Kampala Storage Terminal (KST) not yet secured.
Development of standards for storage infrastructure and other facilities		Good performance at 76.4%. 71.2% of retail outlets were monitored.
Overall performance		**Good performance at 77.8%**

Source: Author's Compilation

3.4.1 Manage and restock Jinja Storage Terminal

The intervention is aimed at overseeing the rehabilitation, operation and management of the Jinja Storage Terminal to oil industry standards to ensure the security of petroleum supply. The terminal has a capacity of 30 million[7] litres and is managed by UNOC. The planned output for FY 2022/23 were:

i. Managing the operations of the JST, restocking and utilization of at least 30% (9 million litres) of the storage facility
ii. Construction of the oil jetty and pipeline connecting JST to Lake Victoria.

Performance

The performance was good. The contract for One Petroleum Ltd, the joint venture was terminated and UNOC took over management of the JST on 23rd December 2022. UNOC planned for 30% (9 million litres) utilisation of JST facility. During the FY 2022/23, UNOC managed to restock 8 million litres (89% of the target). Despite achieving 89% of the annual target, the stock levels were still low (30%) due to the low budget allocation. Therefore, UNOC was in the process of searching for potential partners to scale up trading operations at the storage reserves and achieve 100% utilisation of the JST.

UNOC undertook feasibility studies for the transportation of petroleum products through the development of an oil jetty pipeline from the terminal to Lake Victoria. The pipeline survey and design were completed but a funding partner had not yet been acquired.

[7] 20 million diesel and 10 million petrol

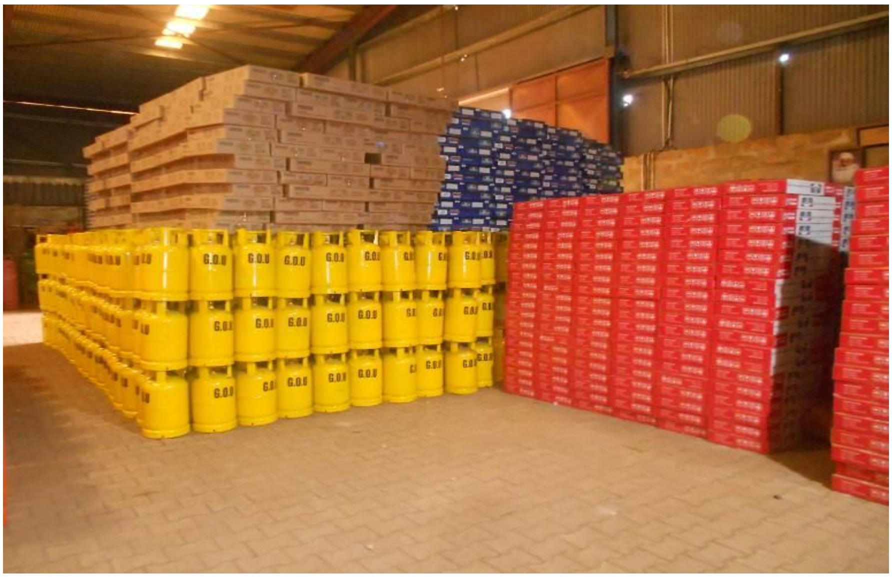
3.4.2 Invest in Liquefied Petroleum Gas Infrastructure

The Government of Uganda through MEMD is promoting the use of LPG as a cleaner and more efficient fuel alternative to biomass. The MEMD launched an initiative to procure promotional LPG cylinder kits which are to be distributed at a cost of Ug shs 100,000 as a subsidy for new users. The target of the intervention is to procure and disseminate a total of over 100,000 promotional LPG cylinder kits over the five years. The distribution is undertaken in partnership with private partners; Shell, Total Energies and Stabex.

The planned outputs for the FY 2022/23 were: 28,804-cylinder kits distributed, 20 acres for Kampala LPG storage terminal acquired and monitoring of LPG infrastructure undertaken.

Performance

The performance was good. A total of 13,033 LPG promotional cylinder kits in the Central Region were distributed to various households during the FY. The refilling rate for the distributed cylinders was about 70%. Households that had acquired the cylinders were using LPG concurrently with biomass. Extensive distribution was hampered by low release (50.4%) with the distribution partners left with over 5,000 pending LPG household applications.



New GOU LPG cylinders at the Manufacturer's Namanve warehouse

The MEMD acquired 20 acres of land for the construction of an LPG central storage facility in Mukono while monitoring of different LPG stations was undertaken in the central and western regions. The eastern and northern region monitoring was not carried out due to a lack of funds. To further promote the usage of LPG, two (02) TV talk shows and four (04) radio talk shows were conducted. Extensive awareness campaigns were not extensively carried out due to budget constraints.

The stakeholder engagements (workshops) were not undertaken due to the unavailability of funds for the activity. Awareness campaigns have also not been extensively carried out over the past three financial years due to funding constraints and therefore affecting uptake in some cases.

3.4.3 Develop strategic regional storage terminals for petroleum products

The intervention aims at developing regional storage terminals to ensure adequate stock of petroleum supply. The planned outputs for FY 2022/23 were:

i. Lake transport routing master plan developed
ii. Lake transport of refined petroleum products regulated
iii. Joint venture partner to develop the Kampala storage terminal secured

Performance

The performance was fair. The ToRs were developed in consultation with the Ministry of Works and Transport (MoWT). There was low release hence the consultancy was not undertaken for master plan and transport regulations.

The UNOC was also in the process of developing the Kampala Storage Terminal with a 320-million litre capacity at Nsujjumpolwe Village, Kiringente Sub-county, Mpigi District. A total of 300 acres were acquired and facility designs and a search for a joint venture partner to develop the terminal were ongoing.

3.4.4 Development of standards for storage infrastructure and other facilities

The intervention aims at regulating the quality of petroleum products on the market through monitoring, enforcement and development of standards for regulation. This is implemented by the Petroleum Supply department in the MEMD.

The planned outputs were: petroleum quality monitored and inspected in 80% of the retail facilities and enforcement of supply standards undertaken.

Performance

The performance was fair. A total of 919 (71.2%) retail outlets were monitored and inspected countrywide in 22 districts[8]. Quality inspections for the retail outlets were also carried out and the compliance level was at 99.2% achieving the annual target of 99%. Enforcement in 339 non-compliant retail outlets was undertaken in the districts of Kalungu, Masaka, Lwengo, Mbarara, Sheema, Bushenyi, Rwampara and Ntungamo. A total of 33 retail facilities were lined up for prosecution for illegal constructions and operations.

The MEMD issued a total of 333 licenses to outlet development during the FY for downstream trading with a total of Ug shs 549 million Non-Tax Revenue (NTR) collected from the licenses and permits.

Overall, the non-compliance levels from the conducted quality inspections were at 0.8% compared to 0.7% in FY 2021/22. The performance of the Downstream Sub-programme is summarized in Table 3.9.

[8] Wakiso, Luwero, Nakasongola, Kiryandongo, Nwoya, Packwach, Nebbi, Madi Okollo, Arua, Maracha, Koboko, Yumbe, Moyo, Adjumani, Amuru, Omoro, Gulu, Oyam, Kole, Kwania, Lira and Apac.

Table 3.9: Performance of the Downstream Sub-programme as at 30th June 2023

Intervention	Output	Annual Budget (Ug shs billion)	% of budget received	% of budget spent	Annual Target	Cum. Achieved Quantity	Physical performance Score (%)
Restock and manage Jinja Storage Terminal	Jinja Storage Terminal restocked and managed	26.37	100.0	100	100	87.0	87.00
Invest in LPG Infrastructure	28,804 LPG cylinder kits distributed	12.60	50.4	100	28804	13033.0	89.70
	Routine Monitoring of LPG infrastructure	1.00	55.5	100	100	50.0	90.13
	20 acres of land for Kampala LPG storage terminal acquired	4.30	100.0	100	100	97.0	97.00
	National awareness campaigns undertaken	1.40	24.8	100	100	10.0	40.39
Develop strategic regional storage terminals for petroleum products	1. Lake Transport routing master plan developed 2. Lake transport of refined petroleum products regulated	0.16	77.5	98.9	100	49.5	63.88
Development of standards for storage infrastructure and other facilities	Downstream petroleum activities licensed and monitored	0.75	51.1	98.9	100	39.0	76.37
	Total	**46.59**	**82.5**	**100**			
Average Outputs Performance							**77.78**
Outcomes Performance							
Outcome Indicator				**Annual Target**	**Achieved**		**Score (%)**
Increased national storage for refined petroleum products				100	26.7		27
Level of compliance of petroleum supply quality				100	99.2		99
Average Outcome performance							**62.95**
Overall Downstream Sub-programme Performance							**72.6**

Source: MEMD and PAU Q4 Reports, Field Findings

Challenges

1. Funding constraints affected the distribution plan for the promotional LPG cylinder kits to households.
2. The UNOC is not able to restock the fuel reserves in Jinja to the recommended safety levels which is a risk to the country's energy security.

Recommendations

1. The MEMD should prioritize the funding for the LPG project to tie in with the Government's plans to discourage the use of charcoal for cooking.
2. The MEMD and MFPED should prioritize funding to the Downstream Sub-programme to ensure that adequate stock of fuel levels is kept in the reserves at all times and that more enforcement is also carried out to ensure quality of fuel supply.

Downstream Sub-programme Conclusion

The Downstream Sub-programme performance was good at 72.6%. Restocking of Jinja Storage Terminal was good with 89% of the target achieved. Although the annual target was nearly achieved, the overall stock at the JST was low with utilisation of the facility at 27%. Therefore, UNOC was in search of potential partners to scale up trading to utilise 100% of the JST.

The performance of the distribution of household LPG cylinder kits was good with 90% distribution of the target achieved. However, there were over 5,000 pending LPG household applications and the MEMD needs to scale up financing for the LPG cylinder dissemination to meet the demand. The MEMD also continued monitoring and enforcement of petroleum quality at the different retail outlets. The compliance of petroleum quality on the market was at 99% although issues of non-compliance continued to persist and more effort was needed to undertake market surveillance and enforce the quality standards on the market.

3.5 Overall Analysis of the Programme Value Chain

The Upstream Sub-programme showed fair progress towards the country's road to the first oil with construction works on the central processing facilities ongoing at 45% progress against the target of 67%. A total of three drilling rigs were acquired and were in operation at two well pads in Tilenga and one pad in Kingfisher. Further exploration to discover more petroleum resources did not progress much. With the progress noted in the upstream facilities towards the road to the country's first oil, the midstream sub-programme to support the development of pipelines to transport oil from the upstream facilities to the export hub and finally to the export terminal at Tanga Port in Tanzania was behind schedule.

Although the Government had completed UNOC's equity contribution for the EACOP pipeline, the debt financing was yet to be secured and construction works had not begun. Likewise, the development of the refinery and products pipeline to refine and transport oil to the Kampala Storage Terminal respectively had not commenced, pending financial closures.

Compensation for the refinery land was completed but the RAP for EACOP and products pipeline affected persons was not yet completed which could further delay the project when construction starts. The slow progress of the development of the EACOP pipeline is putting the country's anticipated revenue benefits from oil production at risk since the rest of the world is moving to carbon-neutral technologies and renewable energy sources.

The Downstream Sub-programme had good progress. The Jinja Storage Terminal met 89% of the annual target for stock levels to ensure the security of supply for petroleum products. However, the JST utilization was at 27% and constrained by the low annual funding allocation which poses a security of supply risk for the country if there are supply shocks.

The development of additional storage infrastructure for petroleum products in Kampala did not progress because funding partners had not been secured. More needs to be done to fast-track the development of the Kampala terminal in anticipation of more oil from the planned Kabaale refinery transported through the products pipeline.

To also scale up the usage of LPG, the MEMD distributed 13,033 household LPG cylinder kits but more extensive dissemination was constrained by funding. The land to accommodate the LPG storage terminal was acquired in Mukono in anticipation of future LPG production from the oil and gas wells in the Tilenga exploration area.

Therefore, the Government and Joint Venture Partners should fast-track completion of the midstream and downstream infrastructure to have a complete value chain for the oil production in the Albertine Graben as well as any additional resources that will be discovered from the exploration activities being undertaken.

CHAPTER 4: CONCLUSION AND RECOMMENDATIONS

4.1 Conclusion

The overall performance of the Sustainable Development of Petroleum Resources (SDPR) Programme was fair at 67.6% and progress continues in preparation for the production phase in the Oil and Gas Sector. Some of the key milestones reached included the conclusion of the second licensing round and awarding of the construction license for the EACOP to the Joint Venture (JV) Partners.

Although the programme is making progress towards the key milestone of reaching the oil production phase by 2025, there is need to address the challenges of funding to the sector to enable the Government institutions fulfil their various roles in the oil and gas value chain. This will enable the completion of compensation for pipelines, support more exploration activities and increase staffing levels for UNOC and PAU to match the growth of the Petroleum Sector.

The Government together with the JV Partners should also explore various financing options for oil and gas infrastructure development so that the delays are minimized. It is also in the best interests of the Government and its JV partners to actively engage and undertake adequate consultations with the surrounding communities so that there is minimum opposition from them, to easily attract potential funders and partners.

4.2 Recommendations

1. The Government and Joint Venture Partners should fast-track the financial closure of the EACOP debt financing through the engagement of other alternative funders and MEMD should actively counter the negative publicity surrounding the project.

2. The MEMD should strengthen the monitoring and supervision of the ongoing compensation process for EACOP project-affected persons to ensure the process is fair and timely while providing resources to hasten the completion of compensation of product pipeline-affected persons.

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ANNEX

Annex 1: Monitored Interventions, Outputs and Implementing MDAs

Sub Programme	Intervention	Outputs	Implementing MDA
Upstream	Undertake further exploration and ventures of the Albertine Graben	New Exploration activities were undertaken in the Albertine region and the country.	MEMD, UNOC
		Two reconnaissance permits were issued in the frontier basins and the third licensing round commenced	MEMD
		Upstream activities regulated	PAU
	Undertake construction and operationalisation of infrastructure projects	Data Repository Centre for the Directorate of Petroleum and PAU established	MEMD, PAU
		Integrated data management system developed	MEMD
	Construct the Central Processing Facilities (CPFs) for Tilenga and Kingfisher projects	Supervision of Kingfisher and Tilenga projects	MEMD PAU
		Tilenga and Kingfisher RAP and production activities undertaken	
	Establish QHSSE governance and assurance framework	QHSSE Systems and standards developed and implemented	MEMD, PAU
	Review and update relevant policies; and fast-track harmonization of conflicting laws and regulations	The National Petroleum Policy (NPP) Monitoring and Evaluation Framework developed	MEMD
Midstream	Undertake construction and operationalization of infrastructure projects in the Albertine region to ease the movement of goods.	Refinery agreements, RAP and water system at Kyakaboga Multi Products Pipeline RAP implemented	MEMD
		Designs, cost estimates, midstream operations for EACOP, Refinery and Product Pipeline completed	PAU, UNOC
		Midstream standards developed. Midstream infrastructure development monitored	MEMD
	Capitalise UNOC to execute its mandate as an investment arm of the Government in the oil and gas industry	15% EACOP equity contribution completed	MFPED
	Provide SMEs with both technical (training) and financial support to enhance their participation in tendering and delivery of contracts	National Content Policy implemented	MEMD, PAU
	Establish an oil and gas incubation fund to promote local entrepreneurship and SMEs	The Local Content Development Fund act developed	MEMD
	Fast Track Skilling (e.g., apprenticeship), Training and International Accreditation of Ugandans for employment and service provision in the development/phase of the oil	Two international oil and gas accreditations localised Two international bodies domiciled	MEMD MoES

Sub Programme	Intervention	Outputs	Implementing MDA
	and gas sector		
	Implementation of a strategy on value addition and marketing of goods and services that will be demanded by the oil and gas sector	Value addition and marketing strategy and plan for the oil and gas sector developed	MEMD
	Implement the Agricultural Development Strategy for the Albertine Region	The Agricultural Development Strategy of farmers along the EACOP developed	MEMD
	Undertake construction and operationalisation of infrastructure projects: EACOP, and Oil Refinery	Construction of Oil Refinery, EACOP pipeline and storage facilities	UNOC
	Fast Track Skilling (e.g., apprenticeship), Training and International Accreditation of Ugandans for employment and service provision in the development/phase of the oil and gas sector	At least 5 Vocational Institutions internationally accredited and 50% of local suppliers trained and internationally certified in ISO and related certifications	UNOC, MEMD
Downstream	Restock and manage Jinja Storage Terminal	30% of Jinja Storage Terminal restocked and managed	UNOC
	Invest in LPG infrastructure	28,804 LPG cylinder kits distributed and 20 acres for Kampala storage acquired	MEMD
	Development of standards for storage infrastructure and other facilities	Downstream petroleum activities licensed and monitored	MEMD
	Develop strategic regional storage terminals for petroleum products	1. Lake transport routing master plan developed 2. Lake transport of refined petroleum products regulated	MEMD

Source: Author's Compilation