



How Gender and Equity Responsive is the Energy Sector?

Overview

The Energy and Mineral Development Sector plays a key role as a key driver of economic growth and industrialization. In line with the provisions of the Public Finance Management Act 2015, the sector is required to undertake gender and equity responsive planning and budgeting to facilitate equitable access to the energy infrastructure and services for all. It has to promote equal participation including the disadvantaged groups in the sector.

Introduction

The Energy Sector comprises of the Ministry of Energy and Mineral Development (MEMD), Uganda Electricity Transmission Company Limited (UETCL), Uganda Electricity Generation Company Limited (UEGCL), Rural Electrification Agency (REA), Petroleum Authority of Uganda (PAU), and the Uganda National Oil Company (UNOC).

Gender and Equity issues in the sector

The key gender and equity issues in the sector included; displacement of people when providing right of way; low level of access to electricity in the rural areas due to high cost of connection; and low participation of Ugandans in the oil and gas sector due to lack of local content. There is reliance on biomass by most households and institutions especially school in order to meet their energy needs. Furthermore, the activities of the artisanal miners are poorly regulated which leads to exploitation and poor working conditions.

Performance

The overall performance was found to be fair. The total budget of the sector interventions that addressed gender and equity was Ug shs 545.5 billion (bn), of which Ug shs 527.4bn was released and Ug shs 530.96bn was spent.

Under the different programmes in the sector, the interventions assessed included Resettlement Action

Key Issues

- High cost of wiring houses before connections.
- Delayed compensations of project affected persons. This reduced real value of payments due to inflation.
- Inadequate funding provided, especially for compensations.
- Limited staffing in sector departments that is delaying implementation.
- Inadequate capacity of local companies that are being targeted by the Local Content Policy.
- Limited availability and use of gender and equity disaggregated data.

Plan (RAP), Community Development Action Plan (CDAP), implementation of the Local Content Policy in oil and gas, extension of rural electricity lines and subsidized electricity connections.

• The Resettlement Action Plan

The RAP was aimed at resettlement, restoration of the livelihood of communities and reduction of the negative impacts caused by the energy infrastructure projects. These projects included transmission lines and hydro power projects. The RAP was undertaken through cash compensation and construction of resettlement houses for the vulnerable such as the elderly, and women-led households. Regarding cash compensation on transmission lines, a total of 19,914 project affected persons (PAPs) were compensated out of 25,249 PAPs by the end of Financial Year 2018/19. A total of 141 resettlement houses were completed in eastern, northern and western region.



Completed house for an elderly widow in Kiryandongo District



- **Community Development Action Plan(CDAP)**

Under the hydropower projects, the CDAP focused on improvement of social service facilities in the project areas. Under the Isimba power project, a total of 7 boreholes, 12 VIP latrines with 5 stances, 23 classroom blocks, one workshop block, and 16 staff quarters were constructed at schools and health centers in Kayunga and Kamuli districts. CDAP under Karuma power project had not commenced due to a funding shortfall.

- **Implementation of the Local Content Policy**

The objective of the national content policy is promoting the participation of Ugandans and local companies by building their expertise and skills in the oil and gas sector. In order to capture the readiness for oil and gas participation, a total of 635 companies incorporated in Uganda were registered on the National Supplier Database against a target of 435. The National Oil and Gas Talent Register also recorded 105 employers and 1,451 individuals ready for deployment in the gas sector. A total of 230 Small Medium Enterprises (SMEs) were trained in health, safety, environment, business and bid management and 1,245 people from the local communities in Albertine region received technical and practical skills such as plumbing, welding, wiring and fitting.

- **Regulation, Registration, Re-organization and Sensitization of Small Scale Artisanal Miners**

The intervention targeted artisanal small miners (ASMs) who work under exploitation and poor health conditions. The ASMs registered for ease in monitoring their activities. A total of 7,663 ASMs and 112 ASMs associations (68 in Karamoja, 24 in Mubende and 20 in Ntungamo) were registered. The target was 5,000 ASMs registered. As part of reorganization of the mining area, 30% of the mining area in Mubende was assigned to ASMs.

On sensitization, 2,720 ASMs were trained in environment, community, legal and regulatory framework, health and safety, enterprise and exploration skills in the districts of Entebbe, Mbale, Gulu, Fort Portal, Buhweju and Mubende. This was short of the planned target of 5,000 ASMs. To promote health and safety, the miners are required to set up mercury purification rooms, and cyanide use was limited to holders of location licenses who buy the unpurified gold from the ASMs.

- **Extension of the electricity grid to the underserved rural areas**

The rural electrification programme has continued to intensify efforts to expand the grid coverage in underserved rural areas as an equity intervention. A total of 5,283km (2,747km Low Voltage and 2,536Km Medium Voltage) were added to the grid in the different areas across the country. However, most of the grid extensions were in western, central and eastern regions. The West Nile region did not benefit during the financial year.

- **Implementation of the Free Connection Policy**

The Free Connection Policy is a ten-year intervention (2018-2027) by the Rural Electrification Agency (REA) to address the low connection rate by subsidizing the upfront costs required for connection for a no-pole and pole service of a single phase connection. It targets connecting 300,000 customers annually, achieving 30% proportion of households accessing power from the national grid by 2020 and 60% access to electricity by 2027.

During the FY 2018/19, a total of 149,831 households were connected to the grid through this intervention against a planned target of 120,457 connections. This was partly responsible for an increase in the national access to electricity to 28%.



- **Promotion of renewable energy and energy efficiency**

This aimed at distribution of improved cook stoves to Institutions and trainings on renewable energy. Five institutional cook stoves were provided to five selected schools: four in central and one in western Uganda. Two solar water heating systems were provided at two health centers in Buvuma and Kamuli districts. Training on sustainable use of biomass was also carried out for 215 charcoal producers in northern and central region. However, the provision of cooking stoves needs to be expanded to cover more schools due to the high fuel burden they face especially for cooking.

Sector institutional mechanisms to implement gender and equity

Overall, the sector was found to have inadequate internal mechanisms to promote gender and equity. All the sector agencies i.e MEMD, UETCL, UEGCL, PAU and UNOC did not have specific gender specific policies and were being guided by the National Gender Policy, 2007. Other gender related facilities such as child care centers or breastfeeding centers for mothers were absent. Although all the sector agencies referred to sexual harassment in their staff manuals, there were no clearly outlined procedures on how to report such cases, and no records of previously reported cases are available.

Implementation Challenges

The challenges encountered in the process of implementation of the gender and equity interventions were;

1. High cost of house wiring

The cost of conventional wiring remains high at an average cost of Ug shs 200,000 per household, which is unaffordable for the poor. Most of the connections (87.2%) were made by UMEME (table 1) which operates mostly in the urban and peri-urban areas. The

other service providers that operate in most of the rural areas connected only 12.8% of the households.

Table 1: Connections made by the respective service providers during the FY 2018/19

Service Provider	No. of connections
Bundibugyo Electricity Cooperative Society (BECS)	749
Kilembe Investments Limited (KIL)	1,798
Kalangala Infrastructure Services Limited (KIS)	449
Kyegegwa Rural Energy Cooperative Society (KRECS)	1,198
Pader-Abim Community Multi-Purpose Electric Cooperative Society (PACMECS)	599
Uganda Electricity Distribution Company Limited (UEDCL)	10,638
UMEME	130,652
West Nile Rural Electrification Company (WENRECo)	3,895

Source: REA

2. Delay in resurvey and re-evaluation of compensation

The long period taken to pay PAPs after valuation of their land led to rejection of compensation rates in some cases. The PAPs felt the value of compensation was low hence requiring resurveying and reevaluation. However, the resurveying and reevaluation of the rates delayed. This led to slow progress on the compensation process, hostility among the PAPs, and court injunctions. For example, on the Tororo-Lira transmission line, only 39 PAPs out of a total 4,701 were compensated during the FY with 163 PAPs rejecting compensation.

3. Funding shortfalls

The funding shortfalls led to slow progress on CDAP and RAP activities. For example, on CDAP, the construction of a church and mosque for the community and building of resettlement houses for the vulnerable persons in Karuma did not commence because the CDAP funds were diverted to Isimba power project. Even the funds for Isimba HPP CDAP were not



sufficient to undertake all the components. On RAP, although release for funds to compensate persons affected by the establishment of the industrial parks in; Luzira, Namanve, Mukono and Iganga was good at 89.3% (Ug shs 22.33bn), this was not adequate as only 35% (246) PAPs were compensated. Additionally, the rehabilitation of three water pumping mills in Karamoja was also not completed due to funding constraints.

4. Low staffing levels

The low staffing levels in the sector departments and agencies has constrained implementation of activities meant to address gender and equity. Particularly affected were the activities to monitor and regulate the undertakings of the artisanal miners and the implementation of the resettlement action plans under the transmission sub sector.

5. Limited capacity of the local companies

Most local companies lacked capacity to meet international standards to operate in the oil and gas sector. This is limiting the participation of the local companies in lucrative oil contracts.

Conclusion

The MEMD registered some progress in addressing gender and equity issues in the sector. The achievements included; a safer working environment for artisanal miners in the mining areas, livelihood restoration of some persons affected by energy infrastructure projects, and more households had accessed electricity. However, there is need to make electricity more accessible, make the compensation of PAPs more equitable and timely, and increase the participation of Ugandans in the oil and gas sector. The assessment also lacked gender and equity disaggregated data which was not available.

Recommendations

- The Government through REA should make more ready boards available to subsidize the cost of house wiring. More sensitization for the rural communities on the modalities of how to apply for a free connection should be undertaken.
- The UETCL should speed up negotiations with PAPs on case by case basis in order to obtain access to sites for works to continue. Similarly, the construction of resettlement houses should be fast tracked by UETCL to enable the displaced vulnerable PAPs have their livelihoods restored.
- The MEMD should fill vacant positions and agencies; REA and UETCL should enhance staffing levels to accelerate the pace of implementation of gender and equity interventions.
- The MEMD, UEGCL and UETCL should prioritize funding for RAP and CDAP activities.
- The Government through the MEMD should provide more support to the local enterprises and companies through training such that they can meet the oil and gas standards and thus participate in the sector.
- The sector should generate and use gender and equity disaggregated data for more effective assessments.

References

REA Annual Performance reports

Uganda Electricity Transmission Company Limited Reports June 2019

Uganda Electricity Generation Company Limited Reports June 2019

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