MINERAL DEVELOPMENT PROGRAMME

Annual Budget Monitoring Report

Financial Year 2024/25

September 2025

Budget Monitoring and Accountability Unit
Ministry of Finance, Planning and Economic Development
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ABBREVIATIONS AND ACRONYMS

ASM	Artisanal and Small-Scale Miners
BMAU	Budget Monitoring and Accountability Unit
DGSM	Directorate of Geological Surveys and Mines
ESIA	Environmental and Social Impact Assessment
GIS	Geographical Information System
GMIS	Geological and Mineral Information System
ICP-EOS	Inductively Coupled Plasma Optical Emission Spectrometry
IFMS	Integrated Financial Management System
ISO	International Organization for Standardization
MCRS	Mineral Cadastre and Registry System
MDAs	Ministries, Departments and Agencies
MEMD	Ministry of Energy and Mineral Development
MoFPED	Ministry of Finance, Planning and Economic Development
MPS	Ministerial Policy Statement
NEMA	National Environment Management Authority
NDP	National Development Plan
PBS	Programme Budgeting System
PIP	Public Investment Plan
PPE	Personal Protective Equipment
REE	Rare Earth Element
TGH	Temperature Gradient Holes
UIA	Uganda Investment Authority

FOREWORD

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

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

The Annual programme assessments have been made, and it was established that performance was fairly good. This implies that programmes are on track, but with a lot of improvements required. The challenges noted, are not insurmountable. These monitoring findings form a very important building block upon which programmes can re-strategize for FY 2025/26.

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

Partick Ocailap
For Permanent Secretary/ Secretary to the Treasury

EXECUTIVE SUMMARY

The overall annual performance of the Mineral Development Programme for FY 2024/25 was good, at 71.2%. The programme budget was USh 46.06 billion, of which USh 39.59 billion was released and USh 37.75 billion spent. The performance of both the outcomes and outputs was good. The value of mineral production was USh 301 billion, a 20% decline from USh 378 billion in the previous FY 2023/24. The Non-Tax Revenue (NTR) collected was also USh 25.91 billion, a 3% increase from the previous financial year. The mineral exploration and formalisation of artisanal miners registered good progress.

Over the National Development Plan III (NDP III) implementation period (FY 2020/21 – FY 2024/25), the value of mineral production doubled from USh 150 billion to USh 301 billion, though below the target of USh 400 billion. Non-Tax Revenue (NTR) also registered a two-fold increase from USh 12 billion to USh 25 billion. The Plan had projected the establishment of mineral processing facilities and a 75% reduction in imports of iron, steel, and inorganic fertilisers. However, this target was not achieved. Instead, iron and steel imports rose by 38%, from USD 370 million to USD 512 million, while inorganic fertiliser imports increased by 54%, from USD 30 million to USD 46.3 million. The shortfall is attributed to limited investment in mineral processing, which slowed progress on developing facilities for phosphate fertilisers, iron ore beneficiation, and copper production at the Kilembe Mines.

Annual Physical Performance

The second phase of the biometric registration showed good progress, with a total of 2,294 (1,866 males, 428 females) artisanal miners registered (76% of the target) across the country. A total of 3,217 artisanal and small-scale miners (ASMs) (2,366 males, 851 females) were also sensitised on best mining practices.

To enhance mineral production through the regulation of artisanal mining activities, the Ministry of Energy and Mineral Development (MEMD) was in the process of drafting regulations to enable operationalisation of the Mining and Minerals Act 2022. The Regulation and Building Substance Bill, which aims to regulate miners of building substances on a large scale, was gazetted and operationalised. The drafting of the National Content Regulations to help enforce the Mining and Minerals Act 2022 also commenced, but had not been concluded.

There was progress made towards the development of mineral processing facilities. The Model Mineral Production Sharing Agreement (MPSA) for Kilembe Mines redevelopment was signed, and the mines were handed over to a new developer as part of ensuring sustainability of the sub-sector. The mining and production of phosphate fertiliser in Sukulu, Tororo, also commenced, and the development of the Wagagai Gold and Makuutu Rare Earth projects progressed with the Rare Earth Elements (REE) appraised deposits in Bugiri, Bugweri and Mayuge Districts, estimated at 640 million tonnes.

As part of licensing and regulation, 163 mineral dealers' licences (MDL), 12 goldsmith licences (GSL), 132 prospecting licences (PL), 155 exploration licences, four small-scale mining licences, seven medium-scale mining licences, two mineral refining licences, one mineral processing licence, one blasting certificate and six International Conference on the Great Lakes Region (ICGLR) certificates were granted. A total of 10 inspectors were recruited and three inspection vans procured, with 71% of the targeted 80% of mineral exploration and production licences monitored.

The Ministry of Energy and Mineral Development (MEMD) also undertook the exploration and assessment of additional mineral potential. With regard to the Karamoja Airborne Geographical Survey Project, data acquisition for phases one and two was completed using gravity, magnetic and radiometric techniques. The phase three data interpretation of the magnetic, radiometric and gravity surveys was at its tail end, with the electromagnetic surveys completed. The pending activities included geochemical and geological mapping of some areas. Progress was affected by low counterpart funding to conclude the phase three activities. Assessment of other minerals, such as uranium and gold in Buhweju, gold in Abim, iron ore in Kabale, as well as magnetic surveys for copper in Hoima and Masindi, was undertaken.

The operationalisation of the two regional centres constructed in Fort Portal and Ntungamo to aid in the analysis of collected samples from field activities commenced, and some of the staff were recruited. Procurement of some of the equipment and furniture for the centres was also undertaken. However, the acquisition of more critical specialised laboratory equipment for the centres for operationalisation and laboratory in Entebbe did not progress due to inadequate funds.

Under the Mineral Infrastructure Development Project, the installation of six weighbridges in Bulambuli, Sironko, Katakwi and Napak Districts progressed at a slow pace and with the designs/geotechnical investigations completed during the financial year. The procurement of land for the installation of two of the weighbridges made progress with land in Lorengechorwa, Napak acquired, and re-evaluation of in Buyaga, Bulambuli land ongoing before payment. Twelve more sites earmarked for weighbridge installations were mapped in other areas with bulk minerals (marble, pozzolana) across the country, and their lawful landowners identified. The valuation process by the Chief Government Valuer was ongoing.

Challenges

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

- The programme has inadequate staffing levels to undertake the time-consuming and labour-intensive mineral exploration work, and at the same time monitor compliance of the existing licence holders.

Conclusion

The Mineral Development Programme has significant potential to drive national economic growth, as reflected in the NTR and mineral production value recorded during the financial year. However, the sector remains largely dominated by ASMs with limited financial capacity, despite mining being highly capital-intensive. Government interventions during the period focused on exploration of new mineral locations, building technical capacity, and streamlining artisanal mining operations. The enactment of the new Minerals and Mining Act presents an opportunity to better organise and regulate the sector, though it has not yet been operationalised. Once implemented, the Act is expected to attract investment in value addition and mineral processing, thereby creating more jobs and generating higher revenue. Private sector participation had also begun to emerge, particularly in gold, REEs, phosphate, and copper mining, although progress in these areas remained slow.

Recommendations

- The MEMD should prioritise funding for the Mineral Development Programme so that the relevant departments are adequately equipped, staffed and facilitated to undertake further mineral exploration and regulation.
- The newly established Uganda National Mining Company (UNMC) should focus on attracting large-scale mining companies so that there is increased private sector investment, job creation and revenue from the mining sector.

CHAPTER 1: BACKGROUND

1.1 Background

The mission of the Ministry of Finance, Planning and Economic Development (MoFPED) is: "To formulate sound economic policies, maximise revenue mobilisation, and ensure efficient allocation and accountability for public resources so as to achieve the most rapid and sustainable economic growth and development".

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

Commencing in FY 2021/22, the BMAU began undertaking Programme-Based Monitoring to assess performance against targets in the Programme Implementation Action Plans (PIAPs)/Ministerial Policy Statements (MPSs). 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 implementation challenges.

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

This report presents findings from the annual monitoring of selected interventions under the Mineral Development Programme for the budget execution period from 1st July 2024 to 30th June 2025.

1.2 Programme Goal and Objectives

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

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

1.3 Programme Sub-Programme

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

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

1.4 Programme Outcomes

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

CHAPTER 2: METHODOLOGY

2.1 Scope

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

Monitoring involved the analysis and tracking of inputs, activities, processes, and outputs in the Ministerial Policy Statements (MPSs) and annual and quarterly work plans, progress reports and performance reports of MEMD.

A total of seven interventions were reviewed. The monitored interventions translated into 91.2% coverage of the approved budget for FY 2024/25.

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

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

2.2 Data Collection and Analysis

2.2.1 Data Collection

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

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

Secondary data collection methods included:

i) Literature review of key policy documents, including Ministerial Policy Statements (MPSs) for FY 2024/25, National and Programme Budget Framework Papers, re-prioritised Programme Implementation Action Plans (PIAPs), quarterly progress reports and work plans for the respective implementing agencies, quarterly performance reports, the Budget Speech, Public Investment Plans (PIPs), approved estimates of revenue and expenditure, project reports, strategic plans and policy documents.

ii) Review and analysis of data from the Integrated Financial Management System (IFMS), Programme Budgeting System (PBS), and quarterly performance reports.

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

i) Consultations and key informant interviews with institutional heads and project managers at various implementation levels.
ii) Field visits to various districts, for primary data collection, observation and photography.
iii) Call-backs in some cases, which were made to triangulate information.

2.2.2 Data Analysis

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

Quantitative data, on the other hand, was analysed using advanced Excel tools that aided interpretation. Comparative analyses were done using percentages, averages, and cross-tabulations of the outputs/interventions, intermediate outcome indicators and the overall scores. Performance of outputs/interventions and intermediate outcomes was rated in percentages according to the level of achievement against the annual targets. The sub-programme score was determined as the average percentage ratings for the outputs and intermediate outcomes in the ratio of 65%:35%, respectively.

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

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

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

Source: Author's Compilation

Ethical Considerations

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

2.3 Limitation

There was a lack of disaggregated financial information for some of the outputs.

2.4 Structure of the Report

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

CHAPTER 3: PROGRAMME PERFORMANCE

3.1 Overall Programme Performance

Financial Performance

The programme budget for FY 2024/25 was USh 46.062 billion. By 30th June 2025, USh 45.716 billion (99%) had been released and USh 41.834 billion (91.5%) spent. The release of external financing under the Karamoja Airborne Project was good, at 97%, with good absorption. The programme was affected majorly by low staffing levels and a delay in concluding the valuation of land for installation of the weighbridges.

Physical Performance

The overall programme performance was good, at 71.2%. Both outcomes and outputs registered good performance. On outcomes, the proportion of licences adhering to requirements was 57% and the percentage of mining sites having safe working conditions and a clean/protected environment was 55%, below the respective targets of 80% and 75%, respectively.

Over the National Development Plan III (NDP III) period for the last five years, the value of mineral production saw a two-fold increase from USh 150 billion to USh 301 billion, with a peak of USh 378 billion recorded in FY 2023/24, but below the target of USh 400 billion. The NTR also saw a two-fold increase from USh 12 billion to USh 25 billion. The NDP III had also envisaged development of mineral processing facilities and targeted a reduction in the importation of iron, steel and inorganic fertilisers by 75% over the five-year period. This, however, was not met, with the value of imported iron and steel instead increasing from USD 370 million to USD 512 million (38%), while inorganic fertilisers increased from USD 30 million to USD 46.3 million (54%). This was because the level of investment into mineral processing remained low, leading to a slow pace of development of facilities for phosphate fertilisers, iron ore and the Kilembe Mines for copper production.

Under output performance, the second phase of the biometric registration of artisanal small-scale miners (ASMs) showed good progress, with a total of 2,294 registered. However, the regulations to operationalise the new Minerals and Mining Act 2022 to enhance and support the capacity of ASMs had not yet been concluded.

The regulation of the programme activities showed good performance, with 483 licences issued and 71% of the licences monitored for compliance. The NTR from the issued licences and the royalty payments was USh 25.9 billion, surpassing the annual target of USh 16 billion. The value of mineral production also increased with iron ore and limestone taking the largest share.

The exploration of mineral potential showed good progress with Karamoja aerial survey nearing completion, and surveys for other minerals, such as copper, Rare Earth Elements (REEs) and iron ore continued. To support and fast-track mineral sample analysis of explored areas in the Western Region, some of the required ICT equipment and furniture was delivered at the new regional centres in Fort Portal and Ntungamo. The centres had not yet been operationalised, pending the recruitment of staff and the procurement of additional essential office and laboratory equipment. Progress on the installation of weighbridges in the Eastern Region, intended to monitor mineral production, remained unsatisfactory. While land had been secured in Napak, installation of the weighbridge had not yet commenced. The programme was majorly affected by procurement delays, low staffing, and low levels of funding, which constrained some of the key programme activities.

3.2 Mineral Exploration, Development and Value Addition Sub-Programme

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

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

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

Performance

The overall annual output performance of the sub-programme was good, at 70.6%. Table 3.1 shows the performance of the interventions within the Mineral Exploration, Development and Value Addition Sub-Programme. Details of performance are shown in Annex 1.

Table 3.1: Performance of the Mineral Exploration, Development and Value Addition Sub-Programme as at 30th June 2025

No.	Intervention	Performance Rating (%)	Remarks
i	Undertake a detailed exploration and quantification of minerals and geothermal resources in the country	77.4	Karamoja aerial survey was at 97% and development of Wagagai gold mine and Kilembe redevelopment had commenced.
ii	Establish and equip a dedicated exploration unit with access to functional laboratories	54	Geotechnical studies and designs for Busia centre were finalised. Some of the furniture and IT equipment for the newly completed mineral beneficiation centres in Rwengoma, Ntungamo, and Fort Portal were delivered. Centres were not operational.
iii	Organise, formalise, and regulate the artisanal and small-scale miners	80	Second phase of the biometric registration commenced, with 2,294 ASMs registered and 3,217 ASMs trained.
iv	Strengthen the capacity to monitor, inspect, and enforce health, safety, and environmental provisions	77	71% of licences were monitored and 483 licences issued. NTR was USh 25.906 billion and mineral production was at USh 301 billion.
v	Strengthen the capacity to undertake mineral certification, trading, testing, inspection, regulation, and enforcement	66.9	One of the two targeted pieces of land for weighbridges in Napak was acquired. Ten inspectors were recruited and mineral information systems were maintained.

No.	Intervention	Performance Rating (%)	Remarks
vi	Review the Mining Act 2003 and develop other relevant laws and regulations	58	The Regulation and Building Substance Bill was gazetted and operationalised. However, the drafting of the National Content Regulations to help enforce the Mining and Minerals Act 2022 had just commenced.
vii	Establish and strengthen earthquake, landslide, and other geohazard monitoring systems	85	Four Geodetic Navigation Global Positioning stations and the 19 passive seismic stations were maintained

Source: Author's Compilation

A detailed performance by intervention and outputs is presented hereafter:

3.2.1 Undertaking a Detailed Exploration and Quantification of Minerals and Geothermal Resources in the Country

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

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

Performance

The performance of the intervention was good, at 77.4%. The achievements under the different outputs are discussed below.

a) Establishment of Mineral Reserves

Under this output, the targets were:

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

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

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

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

The overall cumulative physical progress was at 97% by 30th June 2025. The project was, however, behind schedule. This is because some phase three activities, such as drilling to confirm anomalies, were pending due to funding constraints. The geophysical data acquisition for the Karamoja and Lamwo areas under phases one and two was completed. The geophysical data acquisition included gravity, magnetic, radiometric and electromagnetic technologies for the respective minerals. The magnetic surveys were for magnetic minerals (iron ore), gravity surveys for high-density minerals (gold) and a radiometric survey for conductive minerals (copper) and electromagnetic for radioactive minerals (uranium).

The phase three geochemical survey works over an area of 41,581 square kilometres was completed. A total of 1,248 stream sediment samples were collected across six zones. Some of the collected samples were kept at the data preparation and sample storage facility at Entebbe. Other samples were taken for mineral content analysis at the designated International Standard Organisation (ISO) certified laboratories, namely ALS-Minerals in Spain and ACTLABS in Canada. This was due to lack of a state-of-the-art laboratory at the Directorate of Geological Survey and Mines (DGSM) for conducting sample analysis.

The collected samples were being kept at the data preparation and sample storage facility at the DGSM, Entebbe. A project database to identify and locate the sample storage on the Geographical Information System (GIS) was also developed. Additionally, with the conclusion of phases one and two works and part of the phase three activities, the geophysical and geochemical mineral atlas for the sub-region was generated.

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

L-R: A data preparation and sample storage room at Entebbe; some of the analysed samples on shelves in the sample storage room, Entebbe.

ii) Resources of mineral deposits quantified and classified

Several mineral deposits were surveyed and analysed. These included the Katara uranium prospect in Buhweju, gold in Abim, and iron ore deposits in the Southwestern Region. The base maps and sampling plan for the Kirwa wolfram area were also developed.

The geological mapping and ground geophysical surveys for manganese in Kyenjojo and iron ore in Nyaituma, Hoima to identify drilling areas were in the early stages. Furthermore, the radiometric and magnetic surveys for uranium exploration in Rugyeyo, Kanungu had begun under the Support to Uganda Mineral Based Industrialisation Project (SUMIP). Ten samples from sheets for certified reference materials were collected and prepared for analysis at the DGSM laboratories.

iii) Development of mineral processing infrastructure

The development of the Wagagai gold mine continued with the processing plant completed and the gold production underway. At full production, the mine is anticipated to produce 5,000 tons of ore per day. The underground access infrastructure, including three vertical shafts (one production shaft and two ventilation shafts) and one inclined shaft (decline ramp), were drilled.

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

In addition, the Mineral Production Sharing Agreement (MPSA) for the redevelopment of the Kilembe Mines for copper production was signed. The mines were officially handed over to the developer for redevelopment.

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

b) Establishment of geothermal reserves

Under this, the targets were: exploration of geothermal prospects and surface studies completed in Kibiro, Panyimur; pre-feasibility studies at the Karungu geothermal area conducted; and a comprehensive geothermal information system developed.

Two Temperature Gradient Holes (TGH) were drilled and a total of 16 TGHs (66 % of annual target) were successfully logged at Panyimur and Kibiro geothermal prospects. A geothermal information system was developed and drafting of the geothermal development plan was ongoing. However, the Environmental and Social Impact Assessment (ESIA) for the drilling of the exploration wells had not been completed, posing a risk of further delays to the planned drilling activities.

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

Challenge
The inadequate release of counterpart funding hampered the completion of exploration activities in the Karamoja sub-region.

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

3.2.2 Establishing and Equipping a Dedicated Exploration Unit, with Access to Functional Laboratories

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

The outputs for FY 2024/25 were: Ntungamo and Fort Portal mineral beneficiation centres equipped with staff and geotechnical studies and designs for the Busia centre undertaken.

Performance

The performance of the intervention was fair, at 54%. The land for the establishment of the Busia beneficiation centre was acquired and the development of architectural and structural designs by the Ministry of Works and Transport (MoWT) was completed. However, the operationalisation of the regional centres in Kabarole and Ntungamo Districts was pending.

Some of the furniture and IT equipment for the newly completed mineral beneficiation centresin Rwengoma, Ntungamo, and Fort Portal, procured towards the end of the previous FY 2023/24 were delivered. Procurement of some of the additional equipment and furniture for the centreswas completed during the FY. However, the acquisition of more critical specialized equipment for the centres for operationalisation and laboratory in Entebbe did not progress due to inadequate funds. The staff recruitment for the centres also registered slow progress thus the centres were not yet operationalised.

3.2.3 Organising, Formalising and Regulating the Artisanal and Small-Scale Miners

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

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

Performance

The performance of the intervention was good, at 80%. The second phase of the biometric registration showed good progress, with a total of 2,294 ASMs (1,866 males and 428 females) registered (76% of annual target) countrywide. Additionally, the target for ASM training and sensitisation was met, with 3,217 (2,366 males, 851 females), representing 76% of the annual target, sensitised to best mining practices, climate change mitigation measures, climate change adaptation, and mainstreaming cross-cutting issues, among others.

While the registration and sensitisation of male ASMs was largely achieved, at 85%, the target for female ASM registration and sensitisation was underachieved, at 42.8%. Of the 851 female ASMs trained, only 428 were registered. This highlights the need for targeted interventions to increase female ASM registration and participation.

In some locations, the use of mercury in gold processing has been replaced by borax as a safer alternative. However, many artisanal mining sites continue to face challenges such as: continued use of toxic chemicals (cyanide, mercury); environmental degradation; use of child labour; and low enrolment in schools around the mining areas. Further to that, most ASMs lacked basic mining equipment due to their low financial capacity resulting in low productivity and unsafe working conditions. Poor infrastructure, particularly lack of access to electricity also limited operation of the required machinery.

3.2.4 Strengthening Capacity to Monitor, Inspect and Enforce Health, Safety, and Environmental Provisions

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

The annual outputs for the FY 2024/25 were:

i. Eighty percent of mineral prospecting and exploration, mining, and mineral trade rights monitored.
ii. Mineral licences reviewed, due diligence and surface verification of mineral rights and mining license application undertaken, and non-compliance notices issued.
iii. Stakeholders sensitised to licensing requirements.

Performance

The performance was good, at 77%. Overall, 71% of licences for the different mineral rights holders in the various regions of the country were monitored, and non-compliance notices were issued.

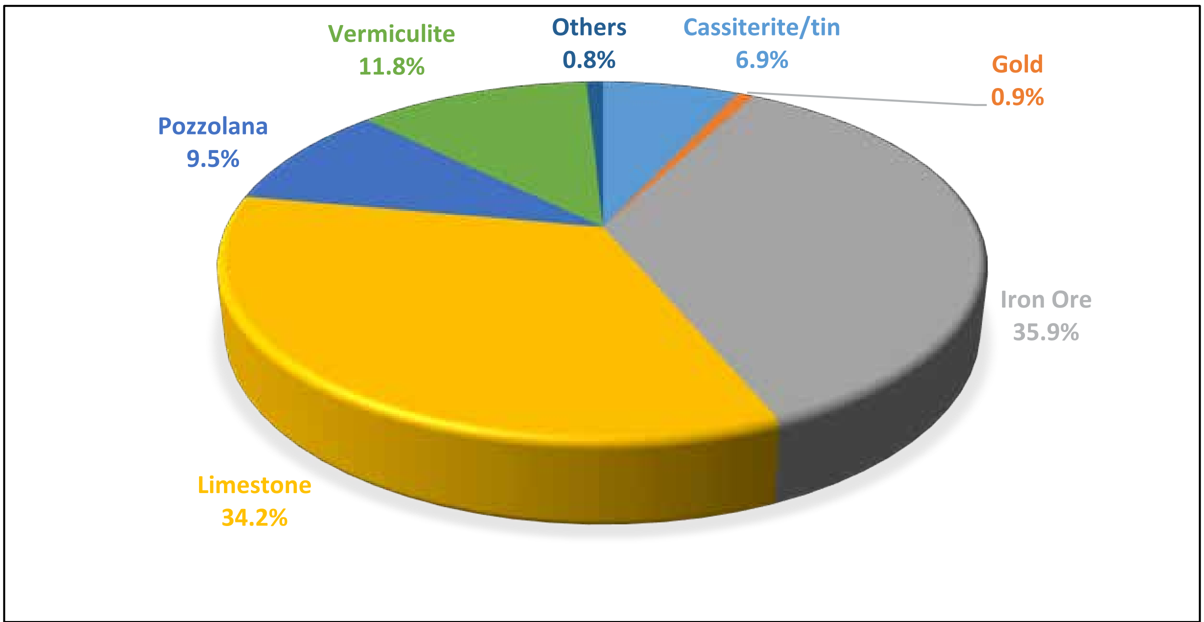
A total of 483 licences were issued during the financial year. These were: 163 mineral dealers' licences (MDL), 12 goldsmith licences (GSL), 132 prospecting licences (PL), 155 exploration licences, four small-scale mining licences, seven medium-scale mining licences, two mineral refining licences, one mineral processing licence, one blasting certificate, and six International Conference on the Great Lakes Region (ICGLR) certificates.

To promote licensing and safety, a total of 1,884 stakeholders (125% of target) were sensitised to licensing requirements during the various inspections in the mining areas across the country. The MEMD also continued monthly compilations of mineral statistics and quarterly dissemination to the public.

The NTR from the issued licences and the royalty payments arising from the mining and inspection activities amounted to USh 25.906 billion, surpassing the annual target of USh 16 billion, representing a 3% increase from the previous FY 2023/24. The total value of mineral production stood at USh 301.04 billion, and this was a 20% decline from the previous FY 2023/24, which was at USh 378.24 billion. This was due to a reduction in production volumes of iron ore, kaolin and wolfram.

Iron ore was the leading contributor to the mineral production value, at 35.9% (USh 108.2 billion), followed by limestone, at 34.2% (USh 103 billion), as shown in Figure 3.1. Gold production increased significantly to USh 2.6 billion from USh 785 million in FY 2023/24, raising its percentage share contribution from 0.2% to 0.9% by 30th June 2025. This can be partly attributed to the ongoing formalisation of the artisanal miners, with the first phase completed and the second phase underway. Despite this growth, the overall value of gold production remained low, largely due to reliance on ASMs, who have not yet been fully formalised and lack the necessary technology to boost output. The minerals in the other category included tin, granite, graphite, marble, dimension stone, kaolin, wolfram, synthetic aggregate, and manganese. Among these, tin, marble, granite and graphite recorded increased production compared to the previous financial year, while the rest experienced a decline.

Figure 3.1: Contribution of various minerals to production as at 30th June 2025



Source: MEMD FY 2024/25 Q4 Reports

3.2.5 Strengthening the Capacity to Undertake Mineral Certification, Trading, Testing, Inspection, Regulation and Enforcement

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

The planned outputs for FY 2024/25 were:

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

Performance

The performance of the intervention was fair, at 66.9%. The progress per output is presented hereunder.

i) Installation of weighbridges in mining areas with bulky minerals

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

The sites for installation of six weighbridges were identified in Bulambuli, Sironko, Katakwi, and Napak Districts, and the designs/geotechnical investigations were completed. The procurement of land for installation of two of the weighbridges made progress with land in Lorengechorwa, Napak acquired, and re-evaluation of land in Buyaga, Bulambuli ongoing before payment. The identification and mapping of 12 more pieces of land in mining jurisdictions with bulky minerals in Tooro, Ankole, Kigezi, Teso, Buganda and Busoga regions for additional weighbridges were concluded, and landowners were identified. The valuation process for these sites was underway by the Office of Chief Government Values (CGV).

Some of the Weighbridge components at DGSM, Entebbe which were awaiting installation

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

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

The procurement of three inspection vans for monitoring operations was completed and the vehicles delivered. A total of four laptops, two desktops, and four printers were supplied to support mineral sample content analysis functions. Other procurements related to the maintenance of the specialised laboratory equipment such as fume hoods, spare parts and accessories were also finalised. The procurement of certified reference materials for the carbon sulfur analyser and XRF, chemicals and reagents, and laboratory consumables had just commenced. However, the maintenance of the Inductively Coupled Plasma Optical Emission Spectrometry (ICP-OES) was pending, as the service providers based outside the country were not registered on the eGP platform.

iii) Mineral data bank developed and mineral information systems maintained

The architectural designs for the mineral data bank were completed. The structure will house the e-government system and will be a real-time monitoring centre at the different mining locations and the weighbridges. The procurement of a contractor to undertake construction was ongoing constrained by unavailability of funds to commence works.

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

iv) Mineral staff recruited and trained

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

One staff member was undertaking training in Mining and Minerals Engineering, whereas others were trained in the Technical and Vocational Education and Training (TVET) curriculum for Mineral Resources Development and implementation of the Region Certification Mechanism.

To operationalise the Uganda National Mining Company (UNMC), the Board was constituted and operational, with the recruitment of the Chief Executive Officer and top managers completed. The process of recruitment of senior officers was ongoing.

3.2.6 Review of the Mining Act 2003 and Development of Other Relevant Laws and Regulations

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

The annual outputs for FY 2024/25 were:

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

Performance

Performance was fair, with an achievement rate of 58%, mainly due to delays in concluding the regulations to operationalise the Mining and Minerals Act 2022, which was still underway, alongside ongoing stakeholder consultations across the country.

The stakeholder consultations on the Regulation and Building Substance Bill, which aims to regulate miners of building substances on a large scale, were undertaken in Entebbe and Arua. The Bill was gazetted and operationalised. However, the drafting of the National Content Regulations to help enforce the Mining and Minerals Act 2022 had just commenced.

Delays in developing the necessary regulations is hindering the implementation of the Mining and Minerals Act 2022, which is intended to strengthen support for artisanal and small-scale mining (ASM) activities. The Act is expected to accelerate the formalisation of artisanal mining, enhance the administration and governance of the mining sector, and streamline business processes. This will facilitate efficient mineral revenue collection and management, promote value addition to minerals, and boost mineral trade. Ultimately, the Act will advance the programme objectives of: increased investment in mining and value addition; and expanded mineral-based processing and marketing.

3.2.7 Establishing and Strengthening Earthquake, Landslide, and Other Geohazard Monitoring Systems

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

The planned outputs for FY 2024/25 were:

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

Performance

The performance was good, at 85%. The four Geodetic Navigation Global Positioning stations in Mbale, Nakasongola, Hoima and Kasese and the 19 passive seismic stations installed in the Albertine Graben were maintained. There was also continued collection, analysis and interpretation of earthquake data using the seismic stations at Entebbe, Hoima, Nakawuka (Wakiso), Kilembe (Kasese) and Kyahi (Mbarara).

The MEMD also carried out a geohazard assessment in areas affected by landslides and mudslides in Bunyangabu and Kasese Districts. Geohazard assessment of hanging rock in Kapnarbaba, Kapchorwa and risk assessment of cracks on Mount Muhabura, Kisoro were also undertaken.

3.2.8 Challenges

i. The mining industry continues to be dominated by artisanal miners whose production levels are low, often under unsafe working conditions due to the use of rudimentary methods.
ii. Low staffing of the Mineral Development Programme affected the operationalisation of regional centres, staff training, and minerals inspection, which are required to better regulate the sector and undertake further minerals exploration.
iii. The insufficient programme funding hindered key activities such as the acquisition of key mineral analytical equipment, land acquisition and accurate tracking of mineral production using the acquired weighbridges.
iv. Mineral production was hampered by poor infrastructural development at the mining sites, with most areas not having access to electricity, which is required for the operation of machinery.

CHAPTER 4: CONCLUSION AND RECOMMENDATIONS

4.1 Programme Conclusion

The Mineral Development Programme registered good performance, at 71.2%, with both outcomes and outputs achieving positive results. Government interventions focused on expanding mineral exploration, building technical capacity, and streamlining artisanal mining operations. However, despite this progress, the programme continues to grapple with underfunding, even though the sector holds significant potential to drive national revenue growth under the country's tenfold growth initiative.

Under the programme, mining activities continue to be dominated by artisanal and small-scale miners who lack the financial resources required to operate effectively in this highly capital-intensive sector. Private investment in mineral processing remains low, while inadequate government funding and staffing shortages further limit the capacity to regulate and monitor mining operations. As a result, investment in value addition is minimal, thereby reducing the sector's potential contribution to the national economy.

On the regulatory front, the enactment of the new Minerals and Mining Act marks a critical milestone in strengthening governance and sector organisation. However, its full operationalisation is pending the development of supporting regulations. Once implemented, the law is expected to attract increased private investment in mineral processing and value addition, expand job opportunities, and enhance revenue generation from the programme.

4.2 Recommendations

i. With the enactment of the minerals and mining law, the Government, through the Uganda National Mining Company, should focus on attracting large-scale mining companies so that there is increased investment in the sector. This will create more jobs and also increase the revenue from the mining sector.

ii. The MEMD should fast-track the regulations for operationalisation of the Mining and Minerals Act 2022 to enable better regulation of artisanal mining activities.

iii. The MEMD and MoFPED should prioritise funding for the programme to facilitate the acquisition of the necessary equipment and staffing.

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3. National Planning Authority. *Third National Development Plan (NDP III) 2020/21 – 2024/25*. NPA

ANNEX

Annex 1: Detailed Performance of the Mineral Development Programme as of 30th June 2025

Outputs Performance								Remarks
Intervention	Output	Financial Performance			Physical Performance			
		Annual Budget (USh bn)	% of Budget Received	% of Budget Spent	Annual Target	Cum. Achieved Quantity	Physical Performance Score (%)	
Undertake a detailed exploration and quantification of minerals and geothermal resources in the country	Undertake mineral exploration and evaluation to pre-feasibility stage and package prospects for investments (geological, geophysical and geochemical surveys over mineral targets conducted)	1.670	100.0	95.5	100	78.0	78.0	Good performance
	Four (4) Temperature Gradient Holes (TGH) drilled at Kibiro geothermal prospect and surface studies completed. Twenty-four (24) Temperature Gradient Holes (TGH) at Kibiro and Panyimur geothermal prospects logged.	4.206	100.0	95.8	100	70.0	70.0	
	Gold mining project in Busia and REE mining development in Makuutu and Rwenzori rare metals supervised. Revamping of Kilembe Mines.	1.491	100.0	98.0	100	76.0	76.0	
	Resources of four mineral deposits quantified and classified Bank of Certified Reference Materials (CRMs) for different mineral matrixes and geological materials of the country established.	2.090	100.0	100.0	100	71.0	71.0	
	Completion of aerial survey of Karamoja	18.120	100.0	88.6	100	92.0	92.0	
Establish and equip a dedicated exploration unit, with access to functional laboratories	Fully operationalise the exploration unit. Deploy staff and equipment. Evaluate key mineral resources.	1.610	100.0	81.2	100	54.0	54.0	Fair performance

Outputs Performance								Remarks
Intervention	Output	Financial Performance			Physical Performance			
		Annual Budget (USh bn)	% of Budget Received	% of Budget Spent	Annual Target	Cum. Achieved Quantity	Physical Performance Score (%)	
Organise, formalise and regulate the artisanal and small-scale miners	2,000 male and 1,000 female ASMs sensitised and trained on best practice mining. 2,000 male and 1,000 female ASMs registered biometrically.	1.275	100.0	97.7	100	80.0	80.0	Good performance
Strengthen capacity to monitor, inspect and enforce health, safety and environmental provisions	NTR of USh 16 billion generated. 80% of mineral prospecting and exploration, mining, and mineral trade in Uganda monitored. Due diligence and surface verification on 100% mineral rights and mining licence applications undertaken 1,500 stakeholders sensitised to licensing requirements.	1.361	100.0	97.8	100	77.0	77.0	Good performance
Strengthen the capacity to undertake mineral certification, trading, testing, inspection, regulation and enforcement	Upgrade and maintain a comprehensive geological and mineral information system. Equip mineral laboratory.	2.585	88.8	96.2	100	67.0	75.5	Fair performance
	Staff capacity built and specialised equipment for geothermal exploration procured.	0.450	100.0	100.0	100	70.0	70.0	
	Specialised vans with GPS and fingerprint technology procured. Contractor to undertake mineral data bank procured. Staff for Mineral Regulation Infrastructure Project recruited.	1.100	100.0	99.5	100	70.0	70.0	

Outputs Performance								Remarks
Intervention	Output	Financial Performance			Physical Performance			
		Annual Budget (USh bn)	% of Budget Received	% of Budget Spent	Annual Target	Cum. Achieved Quantity	Physical Performance Score (%)	
	PPE procured for 20 staff 20 staff trained on cross-cutting issues in HSE, gender mainstreaming. 5 desktop and 5 laptop computers procured. Recruitment of staff for operationalisation of the Uganda National Mining Company (UNMC). MCRS updated and maintained.	4.379	100.0	100.0	100	85.0	85.0	
	Land for installation of 2 weighbridges acquired. Ntungamo and Fort Portal mineral beneficiation centres equipped. Geotechnical studies and design of 4 weighbridge installation sites undertaken.	2.900	98.1	67.8	100	40.0	40.8	
	Geochemical sampling and survey equipment procured. Design of sample storage and preparation facility undertaken. Software for processing, interpretation of geological data procured. Staff training	0.910	100.0	98.7	100	60.0	60.0	
Review the Mining Act 2003 and develop other relevant laws and regulations	Professional standards and necessary regulations developed.	1.080	100.0	93.0	100	50.0	50.0	Fair Performance
	Two regulations to enforce Mining and Minerals Act 2022 developed. Two workshop for creating awareness of mining legislation undertaken.	0.030	100.0	100.0	100	66.0	66.0	
Establish and strengthen earthquake, landslide and other geohazard monitoring systems	Measures to avoid destruction of life and property due to geohazards put in place.	0.752	100.0	90.0	100	85.0	85.0	Good Performance

Outputs Performance								Remarks
Intervention	**Output**	**Financial Performance**			**Physical Performance**			
		Annual Budget (USh bn)	**% of Budget Received**	**% of Budget Spent**	**Annual Target**	**Cum. Achieved Quantity**	**Physical Performance Score (%)**	
	Total	**46.010**	**99.2**	**91.5**	**0**			
Average Outputs Performance							**70.6**	
Outcome Performance								
	Indicator			**Annual Target**	**Achieved**	**Score**	**Indicator Performance (%)**	
	Proportion of licensees adhering to requirements (%)			80	57	71.3	71.3	
	Percentage of mining sites having safe working conditions and a clean/protected environment			75	55	73.3	73.3	
	Average Outcome Performance						**72.3**	
	Overall Programme Performance						**71.2**	

Source:* *MEMD Q4Reports, Field Findings

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