



# MINERAL DEVELOPMENT PROGRAMME

## SEMI-ANNUAL BUDGET MONITORING REPORT

**FINANCIAL YEAR 2022/23**

APRIL 2023

Budget Monitoring and Accountability Unit  
Ministry of Finance, Planning and Economic Development  
P.O. Box 8147, Kampala  
[www.finance.go.ug](http://www.finance.go.ug)

**MOFPED** #DoingMore





# **MINERAL DEVELOPMENT PROGRAMME**

## **SEMI-ANNUAL BUDGET MONITORING REPORT**

**FINANCIAL YEAR 2022/23**

APRIL 2023

**MOFPED** **#DoingMore**



# TABLE OF CONTENTS

<b>ACRONYMS AND ABBREVIATIONS .....</b>	<b>v</b>
<b>FOREWORD.....</b>	<b>vi</b>
<b>EXECUTIVE SUMMARY.....</b>	<b>vii</b>
<b>CHAPTER 1: INTRODUCTION.....</b>	<b>1</b>
1.1 Background.....	1
1.2 Programme Goal and Objectives .....	1
<b>CHAPTER 2: METHODOLOGY.....</b>	<b>3</b>
2.1 Scope.....	3
2.2 Approach and Sampling Methods.....	3
2.3 Data Collection and Analysis.....	3
2.3.1 Data Collection .....	3
2.3.2 Data analysis .....	4
2.4 Limitation.....	5
2.5 Structure of the Report.....	5
<b>CHAPTER 3: PROGRAMME PERFORMANCE.....</b>	<b>6</b>
3.1 Overall Programme Performance .....	6
3.2 Mineral Exploration, Development and Value Addition Sub-programme.....	6
3.2.1 Project 1353: Mineral Wealth and Mining Infrastructure Development .....	7
3.2.2 Project 1542: Airborne Geophysical Survey and Geological Mapping of Karamoja.....	11
<b>CHAPTER 4: CONCLUSION AND RECOMMENDATIONS .....</b>	<b>13</b>
4.1 Programme Conclusion.....	13
4.2 Recommendations.....	13
<b>REFERENCES.....</b>	<b>14</b>



## ACRONYMS AND ABBREVIATIONS

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



## FOREWORD

Uganda like many other countries in the world continues to be affected by the aftermaths of the Coronavirus Disease (COVID-19) pandemic, Russia's invasion of Ukraine, climate change effects, and increasing food prices among the many global shocks today. Amidst this environment, the Government has shown a strong commitment to innovatively raise and allocate resources to fund its strategic interventions, in a bid to build resilience and drive sustainable economic growth and development.

For this Financial Year 2022/23, the semi-annual programme monitoring findings show a fair performance across the board, with a few programmes on track to achieving their annual goals. This performance notwithstanding, there are still many perennial challenges that are putting many government interventions at risk of not achieving their intended objectives.

Since we are operating in an environment of scarcity, it is imperative that we expedite the processes of streamlining and strengthening our planning, implementation, monitoring and execution of Government programmes. We must harness the comparative advantages expected from operating in a programme mode. To that effect, all Ministries, Departments, Agencies and Local Governments should critically review the noted challenges and institute innovative ways of circumventing them during the remaining months.

**Ramathan Ggoobi**  
Permanent Secretary/Secretary to the Treasury



## EXECUTIVE SUMMARY

The Mineral Development Programme consists of one sub-programme - Mineral Exploration, Development under which all projects are implemented. This report highlights the programme performance for the period 1<sup>st</sup> July 2022 to 31<sup>st</sup> December 2022.

The programme budget is Ug shs 29.85 billion (bn). The release was poor at Ug shs 5.74bn (19.2%) and the expenditure was Ug shs 2.77bn (48.2%) due to procurement delays. The semi-annual performance of the projects under the Mineral Development Programme was fair at 65.3%. It was noted that the construction of regional mineral beneficiation centres in the local governments of Ntungamo and Fort Portal was substantially completed, although not yet operational as they were yet to be equipped. Additionally, land for the centres in Busia and Gulu districts was acquired. These centres will aid in the analysis of explored samples from the different regions. The Ministry of Energy and Mineral Development (MEMD) should fast-track the equipping and staffing of the resource centres such that they can be operationalized.

The Karamoja Airborne Survey Project showed fair progress and was at 78% overall achievement with magnetic, radiometric and gravity completed pending electromagnetic exploration. The progress was significantly affected by the insecurity in the sub-region that led to the suspension of work for more than three months.

Under the Mineral Wealth and Mining Infrastructure Project, the Minerals and Mining Bill was enacted into law to enhance the capacity and aid in the formalization of the artisanal miners who contribute to more than 75% of the country's mineral production. However, the biometric registration of the artisanal miners had not commenced awaiting procurement of key equipment (cameras, laptops, identity cards, and internet modems).

Overall, the level of investment in the programme is low. The mining sector is capital intensive but with the low level of investment, there is a minimal value addition to the mined raw materials and the sector is majorly characterized by informal artisanal mining. The projects and interventions undertaken by the Government were mainly geared towards the exploration of new mineral locations and the enhancement of technical capacity. The government should therefore formalize artisanal mining and support the programme by attracting investment in value addition through the processing of minerals so that more jobs and revenue can be created.

### Challenges

1. The artisanal miners have very low financial capacity to acquire equipment for deep cast mining and most of their operations are manually undertaken, leading to very low production and unsafe working conditions.
2. Low funding to the Minerals Directorate affects its ability to better regulate the sector and undertake further mineral exploration.



## Recommendations

1. The Government through the Uganda Development Bank should provide a fund accessible to the Artisanal and Small Scale Miners (ASM) that need to acquire equipment for use in mining activities.
2. The MEMD should prioritize funding to the Minerals Development Programme to facilitate better exploration of the country's mineral potential.





# CHAPTER 1: INTRODUCTION

## 1.1 Background

The mission of the Ministry of Finance, Planning and Economic Development (MFPED) 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.*”

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, indicators and targets (how things are working). The BMAU work is aligned with budget execution, accountability, service delivery, and implementation of the Domestic Revenue Mobilisation Strategy (DRMS).

Commencing in 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 Statement. Semi-Annual and Annual field monitoring of government programmes and projects was undertaken to verify the receipt and application of funds by the user entities and beneficiaries, the outputs and intermediate outcomes achieved.

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; Regional Development; Sustainable Development of Petroleum Resources; and Sustainable Energy Development.

This report presents findings for the semi-annual monitoring of selected projects under the **Mineral Development Programme** for the budget execution period from 1<sup>st</sup> July 2022 to 31<sup>st</sup> December 2022.

## 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 industrialization.

The programme objectives are:

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.



The key expected results include:

- i. Increased investment in the sector;
- ii. Increased contribution of the mineral sector to gross domestic product (GDP); and
- iii. Competitive mining sector.



## CHAPTER 2: METHODOLOGY

### 2.1 Scope

This report is based on selected projects in the Mineral Development Programme based on one sub-programme; Mineral Exploration Development and Value Addition.

The monitoring covered two projects implemented during the first half of FY 2022/23 (1<sup>st</sup> July 2022-31<sup>st</sup> December 2022) by the Ministry of Energy and Mineral Development (MEMD). These were: Mineral Wealth and Mining Infrastructure Development (Project 1353), and Airborne Geophysical Survey and Geological Mapping of Karamoja (Project 1542). The respective project outputs were reviewed under the sub-programme.

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

Two projects were reviewed translating into 83.1% coverage of projected funding under the MPS allocation.

### 2.2 Approach and Sampling Methods

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

A combination of random and purposive sampling was used in selecting outputs from the MPS, Ministerial Policy Statements (MPS) and progress reports of the respective Ministries, Departments, and Agencies (MDAs) for monitoring.

### 2.3 Data Collection and Analysis

#### 2.3.1 Data Collection

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, 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 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, Household Heads, and service beneficiaries at various implementation levels.
- iv) Field visits to various districts, for primary data collection, observation and photography.
- v) Callbacks in some cases were made to triangulate information.

### 2.3.2 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, intermediate outcome indicators and overall scores. Performance of outputs was rated in percentages according to the level of achievement against the annual targets. The sub-programme score was determined as the weighted aggregate of the average percentage ratings for the project outputs.

The overall programme performance is the sub-programme score 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 policymakers and implementers on whether the interventions were achieved or had very good performance (green), good performance (yellow), fair performance (light gold) and poor performance (red) to aid decision making.

**Table 2.1: Assessment Guide to Measure Performance in FY 2022/23**

Score	Performance Rating	Comment
90% and above		Very Good (Achieved at least 90% of outputs and outcomes)
70%-89%		Good (Achieved at least 70% of outputs and outcomes)
50%- 69%		Fair (Achieved at least 50% of outputs and outcomes)
49% and below		Poor (Achieved below 50% of outputs and outcomes)

*Source: Author's Compilation*

### Ethical considerations

Entry meetings were undertaken with the Permanent Secretaries/and Accounting Officers or Delegated Officers upon commencement of the monitoring exercises. 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 and only used in policy making and improving service delivery.



## **2.4 Limitation**

Lack of disaggregated financial information for some outputs.

## **2.5 Structure of the Report**

The report is structured into four chapters. These are Introduction, Methodology, Programme Performance, and Conclusion and Recommendations respectively.



## CHAPTER 3: PROGRAMME PERFORMANCE

### 3.1 Overall Programme Performance

#### Financial performance

The programme budget FOR fy2022/23 is Ug shs 29.85bn. The release was poor at Ug shs 5.74bn, of which Ug shs 2.77bn (48.2%) was spent. The poor absorption was due to the delayed conclusion of procurement for equipment and consultants to undertake critical activities, and the suspension of exploration works in the Karamoja sub-region due to insecurity.

#### Physical performance

The programme project performance was fair at 62.5%. The Karamoja airborne survey showed good cumulative progress at 78% and the gravity map for the region was produced. The new Minerals and Mining bill was finally enacted into law in October 2022 to better guide the regulation of the mining sector. However, there were procurement delays that affected the acquisition and installation of equipment such as the weighbridges and the biometric registration tools.

### 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 monitored multiyear projects were:

- i. Mineral Wealth and Mining Infrastructure Development (Project 1353)
- ii. Airborne Geophysical Survey and Geological Mapping of Karamoja (Project 1542)

#### Sub-programme performance

The sub-programme semi-annual FY2022/23 performance was fair at 62.5% (table 3.1). The Karamoja Airborne Survey to ascertain mineral potential in the sub-region had slow progress due to insecurity in the region. Several mineral reserves in other regions (gold, 3Ts, Wolfram, iron ore among others) were surveyed, although no quantification was done. The mineral beneficiation centres implemented under the Mineral Wealth Project were also completed but not yet operational due to delays in the procurement of equipment. The Mining and Minerals Bill to accelerate the formalization of artisanal miners was also enacted into law and stakeholder sensitization on the Bill was ongoing, however, the biometric registration of the miners was not undertaken due to procurement delays. Overall, the projects were grappling with procurement delays that hinder the acquisition of key equipment for sample analysis.



**Table 3.1: Project performance under the Mineral Exploration, Development and Value Addition Sub-Programme by 31<sup>st</sup> December 2022**

No	Project	Score (%)	Remarks
1	Mineral Wealth and Mining Infrastructure Development (Project 1353)	62.1	Fair Performance
2	Airborne Geophysical Survey and Geological Mapping of Karamoja (Project 1542)	62.8	Fair Performance
	<b>Overall Sub Programme Performance</b>	<b>62.5</b>	

*Source: IFMS, Vote Progress Reports and Authors' Analysis*

### 3.2.1 Project 1353: Mineral Wealth and Mining Infrastructure Development

#### Background

The project aims at enhancing the establishment of the country's reserves and mineral exploration capacity, and improvement of the livelihood of artisanal small-scale miners. At least 26.5% of the population is employed directly and indirectly in the mineral sub-sector more especially Artisanal and Small Scale Miners (ASM) who work under poor conditions.

The project commenced in FY 2015/16 and was scheduled to end in FY 2019/20 but the completion date was revised to FY 2023/24. The total project cost is Ug shs 156bn. The project is implemented by the Directorate of Geological Survey and Mines (DGSM).

The project objectives include:

- Establish and operate mineral certification infrastructure in Entebbe to increase mineral products trade in the great lakes region gain global competitiveness
- Establish the mineral wealth reserves for infrastructure development and industrialization
- Construct and restore earthquake research facilities, monitoring network stations
- Link mineral-rich corridors to business centres through infrastructure and mineral development to enable industrialization for social and economic transformation.
- Construct four (4) mineral beneficiation pilot centres and strengthen institutional research capacity in geosciences, mining and develop mineral value addition skills of the youth to fully participate in the extractive industry.
- Improve mineral laboratories for value addition tests.
- Strengthen mineral wealth management.
- Put in place a new legal, fiscal and regulatory framework for the extractive industry and a country-mining vision

#### Financial Performance

Cumulative disbursements by 31<sup>st</sup> December 2022 stood at Ug shs 58.06bn with Ug shs 52.09bn expended. The budget for FY 2022/23 is Ug shs 8.32bn with a poor release of Ug shs 2.49bn (29.9%) and poor absorption at Ug shs 1.10bn (46.1%) by 31<sup>st</sup> December 2022.





## Physical Performance

The planned outputs for FY 2022/23 assessed were: the completion and operationalization of the mineral beneficiation centres, three mineral reserves established, artisanal miners formalized, acquisition of mineral sample analysis equipment and weighbridges installed. The project's semi-annual FY 2022/23 performance was fair at 62.1%.

### Construction of Mineral Beneficiation Centres

The construction of mineral beneficiation centres in Ntungamo and Fort Portal to quicken the mineral sample analysis had progressed. The centre in Fort Portal was completed, while the one in Ntungamo was nearing completion pending road works. The scope of construction at the Ntungamo Centre included: senior staff quarters, a canteen, a multi-purpose hall, male and female dormitories, plant and office blocks. The centres were not yet operational as they were yet to be equipped with tools and human resources.

Development of specifications for the mineral beneficiation equipment was in progress, but behind schedule and this was delaying the conclusion of the procurement process. The MEMD should fast-track equipping these facilities so that they can be operationalized. Procurement of land for establishing centres in Busia and Gulu was concluded, and land titling was ongoing but no construction works undertaken



**Top: The nearly completed senior staff quarters, multi-purpose hall, office and plant house at the Mineral Beneficiation Centre at Rwengoma, Ntungamo**



**Right: Completed Mineral Beneficiation Centre in Fort Portal**





## Establishment of Mineral Reserves

To meet the objective of increased exploration, survey and quantification of the minerals resources was undertaken. Several potential mineral sites were evaluated and explored mainly in the Eastern, North Eastern and South Western regions to attract further investment in the mining sector. The explored minerals include: iron ore (Tororo, Kabale, Kisoro), gold (Mubende, Busia, Kasanda, Abim), copper (Kasese), 3Ts (Ntungamo, Kabale, Kisoro), Rare Earth Elements/REEs (Mbale, Manafwa, Bushenyi). However, no mineral reserve was established in the first half of FY 2022/23.

## Formalization of Artisanal Small-Scale Miners

The Mining and Minerals Bill 2021 was also enacted into law in October 2022 to guide and enhance mineral certification mechanisms, value addition, and mineral revenue management and accelerate the formalization of artisanal miners. The Bill also focuses on providing a robust, predictable and transparent legal regime, improve mining and mineral administration and business processes, ensure efficient collection and management of mineral revenues, promote value addition to minerals and increase mineral trade and thus contributing to the programme objectives of; increased investment in mining and value addition and expanded mineral based processing and marketing.

To that effect, the demarcation of ASM mining sites was ongoing. The process to sensitize and formalize the artisanal miners also continued in mining communities during the financial year. Sensitization of 800 out of the targeted 3,000 artisanal miners was undertaken during the first half of the year. Overall, a cumulative total of over 8,000 ASMs had been sensitized, trained and organized into associations over the previous financial years, awaiting biometric registration which was yet to commence. The procurement of equipment (cameras, laptops, ID cards, and internet modems) to enable registration was initiated but progress was slow. Formalization of the ASMs will enable the Government to provide them with financial support to improve artisanal mining activities.

To monitor compliance, a total of 100 mining sites were inspected for health and safety during the FY. There were still cases of noncompliance to health and safety such as lack of Personal Protective Equipment (PPE) especially in the artisanal areas with only 30% of the mining sites having safe working conditions. The majority of artisanal mining sites were grappling with the use of toxic chemicals (cyanide, mercury), and environmental degradation and lacked basic mining equipment due to their low financial capacity thus leading to low mineral production.

## Acquisition of Mineral Equipment

Several key equipment and laboratory accessories were acquired including the new mineral rig to aid mineral exploration and analysis. The rig was installed and successfully tested in Kasampawo Village, Kasanda District. Installation of the dust extract and chemical venting system was also undertaken. Other remaining equipment such as fire essay consumables and laboratory gases (argon, acetylene, helium, oxygen, and nitrous oxide) were delivered.

## Weigh bridge installation

The sites for installation of the newly acquired six weighbridges to determine the quantity of minerals mined were assessed at Buyaga Parish, Bulambuli; Olilim Parish, Katakwi and Lorengechora Parish, Napak District. The installation had not begun awaiting approval of weighbridge designs from the Ministry of Works and Transport (MoWT). The DGSM should engage with MoWT to



expedite the approval of weighbridge designs so that construction works can commence. The weighbridge stations will boost accurate tracking of the quantity of mineral production.



**New weighbridge components at the MEMD Offices in Entebbe**

The feasibility study, preliminary design and draft schematic design of the Strategic Minerals Research Facility (SMRF) proposed for construction at Entebbe was completed. The facility will promote research within the programme.

### **Project Risks**

Although the beneficiation centres were completed, their equipping was yet to commence which renders them ineffective. There is a risk that the centres might become white elephants if not timely equipped with tools and human capacity. This might lead to delays in mineral sample analysis and stagnate progress in establishing the country's mineral potential. Additionally, the delayed installation of weighbridges hampered accurate tracking of mined mineral quantity leading to a low value of mineral production and loss of revenue. The MEMD should fast-track equipping of the regional centres and the installation of the weighbridges.

### **Challenges**

1. The low financial capacity of the artisanal miners means that they cannot acquire basic mining equipment/machinery for their operations leading to very low production and unsafe working conditions.
2. There was a delay in the execution of activities due to inadequate staffing levels.

### **Recommendations**

1. The Government of Uganda through the Uganda Development Bank should provide a fund which can provide low-interest loans for the mining sector so that there is a cheap source of capital to enable the acquisition of basic mining equipment.
2. The MEMD should follow up with the Ministry of Public Service to fill the vacant positions.



### 3.2.2 Project 1542: Airborne Geophysical Survey and Geological Mapping of Karamoja

The Karamoja sub-region is endowed with both metallic and industrial minerals partly due to the diverse nature of its geology and the vast area of the region that remains unexplored. The airborne survey is using Magnetic and Radiometric techniques to survey the whole Karamoja sub-region covering an approximate distance of 350,000 to 378,957 line kilometres. Also, an electromagnetic survey will be undertaken covering three targets with a potential of high mineral occurrence reported previously by geological observation with a total of 8,157-line km.

The project contributes to the programme objective of increased exploration and quantification of minerals and implementation is phased into:

- Phase one is a regional airborne survey of the territory with magnetic, radiometric and gravity technologies. The data for this survey identifies the target areas in the region to undertake additional activities.
- Phase two is a detailed survey of the identified target areas. Magnetic, radiometric and gravity technologies are flown with a narrower line spacing providing high-resolution information about the potential of the area and electromagnetic technology will be undertaken to improve the quality of data.
- Phase three includes geological and geochemical activities to improve the existing data and confirm anomalies detected in the airborne surveys.

The overall project budget is 23,662,435 Euros. The project is jointly funded by GoU (15%) and the Government of Spain (85%) through the Corporate Internationalization Fund (FIEM). The project commenced in FY 2019/20 scheduled to end in FY 2021/22. However, the original completion date has been revised to January 2024 in FY 2023/24.

#### Financial Performance

By 31<sup>st</sup> December 2022, 50% of the loan had been disbursed with a total of 19 payment certificates affected, while a total of Ug shs 12.39bn was also released for consultancy services for quality control, stakeholder engagements in the region and procurement of vehicles and ICT equipment.

The project budget for FY 2022/23 is Ug shs 9.1bn, of which Ug shs 2.03bn (22.3%) was released and Ug shs 1.1bn (54.1%) was spent by 31<sup>st</sup> December 2022.

#### Physical Performance

The annual target is the completion of phases two and three of the project. The semi-annual performance was fair at 62.8%. Phase one for the airborne magnetic, radiometric and gravity surveys was completed and phase two was also completed after being behind schedule by 6 months. Under the project, the gravity map for the region indicating reserves for high-density minerals such as gold was produced.

However, phase three for the geological and geochemical activities registered slow progress due to insecurity in the region which resulted in a three months' suspension of works. The overall cumulative progress of the project was at 78%, and its behind schedule with phase 3 geochemical and geological activities and electromagnetic surveys pending. Procurement of ICT equipment to support the project did not progress despite the availability of funds due to MEMD procurement delays leading to low absorption of funds. The summary of performance is given in Table 3.2.

**Table 3.2: Performance of the Mineral Exploration, Development and Value Addition Sub-Programme by 31<sup>st</sup> December 2022**

	Output	Annual Budget (Ug shs bn)	% of budget received	% of budget spent	Annual Target	Cum. Achieved Quantity	Weighted Physical Performance (%)	Remarks
Project 1353: Mineral Wealth and Infrastructure Development	Mineral Exploration and Development (construction of beneficiation centres, mineral reserves established, weighbridges installed)	5.920	30.1	44.0	100	18.00	20.35	Fair performance
	Mining Management (Formalization of artisanal miners, licensing and enforcement)	2.400	29.5	51.4	100	20.00	9.33	Fair performance
Project 1542: Airborne Geophysical Survey and Geological Mapping of Karamoja	Mineral Exploration and Development (Phase two and three airborne surveys of Karamoja completed)	9.100	22.3	54.1	100	14.00	32.78	Fair performance
	Total	17.420	25.9	49.7			62.47	
	Output Performance						62.47	
	<b>Overall sub-programme performance</b>						<b>62.5</b>	<b>Fair performance</b>

Source: MEMD Q2 Reports, Field Findings

### Challenges

1. Delays in procurement affected the acquisition of key equipment.
2. Insecurity in the Karamoja sub-region led to the halting of works and led to project delays.

### Recommendation

The MEMD should fast-track the conclusion of procurement for key equipment.



## CHAPTER 4: CONCLUSION AND RECOMMENDATIONS

### 4.1 Programme Conclusion

The overall project performance under the Mineral Development Programme was fair at 62.5%. The programme continued ascertaining and establishing mineral potential in the different regions of the country which included Karamoja and South-western regions while undertaking capacity building in mineral skills. It was noted that the performance of some of the outputs under the programme was hindered by slow procurement processes. Additionally, the programme outputs gave more emphasis on meeting the objective of increased mineral exploration and less towards increased investment, mineral processing and value addition in the subsector. The programme should see more interventions aimed at adding value and processing raw minerals which will in turn lead to more employment opportunities in the subsector and increased mineral production.

### 4.2 Recommendations

1. The Government through the Uganda Development Bank should set up a credit facility accessible to the ASM groups that need to acquire equipment for use in mining activities.
2. The MEMD should prioritize funding to the Minerals Development Programme such that it is fully equipped and staffed to facilitate optimal exploitation of the country's mineral potential.



## REFERENCES

1. Ministry of Energy and Mineral Development (2022), Ministerial Policy Statement, Vote; 017 and 312
2. Ministry of Energy and Mineral Development (2022), Quarter 1 and 2 FY 2022/23 Reports
3. National Planning Authority, Third National Development Plan (NDPIII) 2020/21 – 2024/25





Plot 2 -12 Apollo Kaggwa Road  
P. O. Box 8147, Kampala - Uganda  
[www.finance.go.ug](http://www.finance.go.ug)