

PROGRAMME: Sustainable Development of Petroleum Resources

SNAPSHOT OF MEDIUM-TERM BUDGET ALLOCATIONS

Table P1.1 Overview of Programme Expenditure (Ushs Billion)

		Approved Budget	MTEF Budget Projections				
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Recurrent	Wage	23.83	23.83	23.83	23.83	23.83	23.83
	Non-wage	62.75	151.69	151.69	151.69	151.69	151.69
Dev.	GoU	59.95	59.95	59.95	59.95	59.95	59.95
	Ext Fin.	4.50	-	857.76	857.76	857.76	857.76
GoU Total		146.53	235.47	235.47	235.47	235.47	235.47
Total GoU+Ext Fin (MTEF)		151.03	235.47	1,093.23	1,093.23	1,093.23	1,093.23

PROGRAMME Strategy and linkage to the National Development Plan III

The overall development strategy of the plan is hinged on the need for rapid industrialization based on increased productivity and production in agriculture, while nurturing the potential of the ICT, minerals, oil and gas sectors.

One of the key development strategies being pursued in implementation of the NDP III is to Fast-Track Oil, Gas and Mineral-Based Industrialization. This would lead to the achievement of two of the key objectives of the plan which are (i) Enhance value addition in key growth opportunities; (ii) Strengthen the private sector to create jobs. This Programme therefore aims to attain equitable value from the petroleum resources and spur economic development in a timely and sustainable manner.

The key expected results include are reducing the volume and value of imported petroleum and petroleum products, increasing revenue from oil and gas sub-sector and its contribution to GDP as well as creating more employment opportunities for Ugandans along the petroleum value chain.

Table P1.2 PROGRAMME OUTCOMES AND OUTCOME INDICATORS

Programme Outcome 1: Increased revenue from oil and gas resources							
Programme Objectives contributed to by the Programme Outcome							
i. To ensure sustainable production and utilization of the Country's oil and gas revenue							
ii. Strengthen policy, legal and regulatory frameworks as well as institutional capacity of oil and gas industry							
Programme Outcome Indicators	Performance Targets						
	Base year	Baseline	2021/22	2022/23	2023/24	2024/25	2025/26
Increase Oil and Gas revenue from UGX 62.98 billion to UGX 265 billion by 2025	FY2018/19	62.98	70	100	150	200	265
Programme Outcome 2: Increased contribution of the oil and gas sector to employment Increased							

revenue from oil and gas resources							
Programme Objectives contributed to by the Programme Outcome							
Enhance local capacity to participate in oil and gas operations							
Programme Outcome Indicators	Performance Targets						
	Base year	Baselin	2021/22	2022/23	2023/24	2024/25	2025/26
Increase the number of Ugandans employed in the oil and gas and related industries from 3,400 to 50,000 by 2025	FY2018/19	3,400	9,000	17,000	27,000	38,000	50,000
Programme Outcome 3: increased investment in the oil & gas industry							
Programme Objectives contributed to by the Programme Outcome							
To promote private investment in oil and gas industry							
Programme Outcome Indicators	Performance Targets						
	Base year	Baselin	2021/22	2022/23	2023/24	2024/25	2025/26
Increase the industry contribution to the GDP from 3% to 5% by end of 2025,	FY2018/19	3%	3.5%	4%	4.5%	4.8%	5%
Programme Outcome 4: Improved safety in oil and gas industry							
Programme Objectives contributed to by the Programme Outcome							
Enhance Quality Health, Safety, Security and Environment (QHSSE)							
Programme Outcome Indicators	Performance Targets						
	Base year	Baselin	2021/22	2022/23	2023/24	2024/25	2025/26
Zero tolerance to fatalities	FY2018/19	0	0	0	0	0	0
Total Recordable Injury frequency rate <=1	FY2018/19	0	0	0	0	0	0
Programme Outcome 5: Increased days of Security Stock levels of refined petroleum products							
Programme Objectives contributed to by the Programme Outcome							
Improve security of supply of refined petroleum products							
Programme Outcome Indicators	Performance Targets						
	Base year	Baselin	2021/22	2022/23	2023/24	2024/25	2025/26
Increase the number of days of Stock levels in the country from 1 to at least 10days by 2025	FY 2018/19	1	2	4	6	8	10
Increase the Level of quality compliance of refined petroleum products from 99.0% to 99.7% by 2025	FY 2018/19	99.0%	99.3%	99.5%	99.6%	99.7%	99.7%
Programme Outcome 6: Increased contribution of the oil and gas sector to employment							
Programme Objectives contributed to by the Programme Outcome							
Enhance local capacity to participate in oil and gas operations							
Programme Outcome Indicators	Performance Targets						
	Base year	Baselin	2021/22	2022/23	2023/24	2024/25	2025/26
Increase the number of Ugandans	FY 2018/19	3,400	9,000	17,000	27,000	38,000	50,000

employed in the oil and gas and related industries from 3,400 to 50,000 by 2025							
---	--	--	--	--	--	--	--

P2: INTERMEDIATE OUTCOMES, OUTCOME INDICATORS AND PROPOSED BUDGET ALLOCATIONS ALIGNED TO THE NDP

Table P2.1: Intermediate Outcomes and Outcome Indicators Aligned to the NDP

Sub-programme: Upstream Petroleum							
Sub-Programme Objectives: To ensure promotion and well supervised upstream sub sector with modern policies and legislature and that the oil and gas activities undertaken in a manner that conserves the environment and biodiversity.							
Intermediate Outcomes:							
<ul style="list-style-type: none"> i. Increased revenue from oil and gas resources ii. Increased contribution of the oil and gas industry to employment iii. increased investment in the oil & gas industry iv. Improved safety in oil and gas industry 							
Intermediate Outcome Indicators	Performance Targets						
	Base Year	Baseline	2021/22	2022/23	2023/24	2024/25	2025/26
Increase Oil and Gas revenue from UGX 62.98 billion to UGX 265 billion by 2025	2018/19	62.98	70	100	150	200	265
Number of Ugandans employed as professionals in the oil and gas sector	2018/19	3,400	9,000	17,000	27,000	38,000	50,000
Increase the industry contribution to the GDP from 3% to 5% by end of 2025	2018/19	3%	3.5%	4%	4.5%	4.8%	5%
Zero tolerance to fatalities Total Recordable Injury frequency rate <=1	2018/19	0	0	0	0	0	0
Sub-programme: Midstream Petroleum							
Sub-Programme Objectives: To promote efficient and sustainable utilization of the oil and gas resources through planning and development of refining, transportation, storage and related midstream infrastructure.							
Intermediate Outcome:							
<ul style="list-style-type: none"> i. Increased contribution of the oil and gas industry to employment ii. increased investment in the oil & gas industry iii. Improved safety in oil and gas industry 							
Intermediate	Performance Targets						

Outcome Indicators	Base Year	Baseline	2021/22	2022/23	2023/24	2024/25	2025/26
Number of Ugandans employed as professionals in the oil and gas sector	2018/19	3,400	9,000	17,000	27,000	38,000	50,000
Level of growth of investment in downstream infrastructure	2018/19	3%	3.5%	4%	4.5%	4.8%	5%
Sub-programme: Downstream Petroleum							
Sub-Programme Objectives: To streamline petroleum supply and distribution, ensure sufficient and reliable stock of high quality and fair priced petroleum products in the country.							
Intermediate Outcome:							
<ul style="list-style-type: none"> i. Increased revenue from oil and gas resources ii. increased investment in the oil & gas industry iii. Improved safety in oil and gas industry iv. Increased days of Security Stock levels of refined petroleum products v. High Quality Supply of Refined Petroleum Products 							
Intermediate Outcome Indicators	Performance Targets						
	Base Year	Baseline	2021/22	2022/23	2023/24	2024/25	2025/26
Increase Oil and Gas revenue from UGX 62.98 billion to UGX 265 billion by 2025	FY2018/19	62.98	70	100	150	200	265
Zero tolerance to fatalities Total Recordable Injury frequency rate <=1	FY2018/19	0	0	0	0	0	0
Increase the number of days of Stock levels in the country from 1 to at least 10days by 2025	FY 2018/19	1	2	4	6	8	10
Increase the Level of quality compliance of refined petroleum products from 99.0% to 99.7% by 2025	FY 2018/19	99.0%	99.3%	99.5%	99.6%	99.7%	99.7%

Table P2.2: Medium Term Projections by Sub-Programme

Billion Uganda Shillings	Medium Term Projections						
Sub-Programme Service	Approved Budget	2021/22-Proposed	2022/23	2023/24	2024/25	2025/26	

	2020/21	Budget				
Ministry of Energy and Mineral Development						
Upstream Petroleum	16.19	29.18	29.18	29.18	29.18	29.18
Midstream Petroleum	27.59	0.67	0.67	0.67	0.67	0.67
Downstream Petroleum	5.51	23.02	23.02	23.02	23.02	23.02
Institutional Coordination	8.55	0.47	858.23	858.23	858.23	858.23
Total for the Vote	57.84	53.34	911.10	911.10	911.10	911.10
Petroleum Authority of Uganda						
Upstream Petroleum	28.44	25.52	25.52	25.52	25.52	25.52
Midstream Petroleum	3.71	0.97	0.97	0.97	0.97	0.97
Institutional Coordination	29.57	26.53	26.53	26.53	26.53	26.53
Total for the Vote	61.73	53.02	53.02	53.02	53.02	53.02
Uganda National Oil Company						
Upstream Petroleum	0	0.00	0.00	0.00	0.00	0.00
Midstream Petroleum	0	0.00	0.00	0.00	0.00	0.00
Downstream Petroleum	0	0.00	0.00	0.00	0.00	0.00
Institutional Coordination	31.47	129.11	129.11	129.11	129.11	129.11
Total for UNOC	31.47	129.11	129.11	129.11	129.11	129.11

P3: PROGRAMME INTERVENTIONS FOR 2021/22

- i. Undertake further exploration and ventures of the Albertine Graben
- ii. Commence construction of infrastructure projects in Kabaale Industrial Park
- iii. Conduct Pre-FID activities for the refinery
- iv. Develop the EACOP
- v. Construct the central processing facilities for Tilenga and Kingfisher Projects
- vi. Conduct a detailed feasibility study to establish a robust and adequate petrochemical industry
- vii. Develop the Petrochemical Industry Masterplan
- viii. Develop of the Natural Gas Pipeline from Tanzania to Uganda to support EACOP, Iron Ore industry and other industrial and domestic uses
- ix. Complete the relevant oil and gas project commercial agreements
- x. Review and update relevant policies; and fast-track harmonization of conflicting laws and regulations
- xi. Operationalize the National Content policy to enhance local Content and national participation in oil and gas
- xii. Develop strategy for an innovation hub for oil and gas
- xiii. Improve operations of the National Petroleum Information System (NPIS)
- xiv. Strengthen governance and transparency in the oil and gas sector
- xv. Establish an oil and gas incubation fund to promote local entrepreneurship and SME's
- xvi. Capitalize and/or license UNOC to execute its mandate as an investment arm of government in oil and gas industry
- xvii. Fast Track Skilling (e.g., apprenticeship), Training and International Accreditation of Ugandans for employment and service provision in the development/phase of the oil and gas sector
- xviii. Implementation of a clear strategy on value addition and marketing of goods and services that will be demanded by the oil and gas sector
- xix. Provide SMEs both technical (training) and financial support to enhance their participation in tendering and of delivery of contracts. (Direct and indirect participants in the oil and gas value chain)
- xx. Establish inter-sectoral linkages to ensure readiness to meet the needs in the oil and gas industry
- xxi. Establish a framework for adoption and transfer of knowledge and technology within the oil and gas sector
- xxii. Implement the Agricultural Development Strategy for the Albertine Region
- xxiii. Develop and implement sustainable financing strategy
- xxiv. Implement a communication strategy to deal with public anxiety and managing expectations
- xxv. Develop and implement a marketing strategy for oil and gas projects
- xxvi. Develop and implement oil and gas QHSSE systems and standards
- xxvii. Establish QHSSE governance and assurance framework
- xxviii. Develop and implement an oil and gas disaster preparedness and contingency plan: conduct and oil and gas hazard risk and vulnerability profiling and mapping of the districts involved
- xxix. Develop decommissioning and closure management plans
- xxx. Develop and implement environmental and social management plans
- xxxi. Develop standards for storage infrastructure including LPG, transportation and other facilities
- xxxii. Development of standards for storage infrastructure and other facilities
- xxxiii. Develop operations standards of transportation of petroleum products on Lake and Rail
- xxxiv. Develop strategic regional storage terminals for petroleum products
- xxxv. Restock and manage Jinja Storage Terminal

PROGRAMME CHALLENGES IN ADDRESSING GENDER AND EQUITY ISSUES FOR FY 2021/22

Gender and social inequalities

Gender inequality is one of the greatest challenges that is faced in the delivery of Government planned interventions in the Petroleum industry. It is recognized that one of the challenges accelerating gender and social inequalities is limited access to productive resources and services, particularly by women, young and indigenous people in rural and urban areas, intensifying their vulnerability of livelihoods and poverty. Therefore, if gender issues are not addressed, they are likely to affect implementation of planned activities in the BFP.

Limited Land ownership by women

Most of the land ownership in the areas where the petroleum activities take place are dominated by men as heads of households and decision makers. In addition, traditional customs put land inheritance to men and this has resulted into land insecurity for women and limiting their ability towards productive land use.

The Petroleum industry which being developed to transform the economy will greatly leave the women and children out if the gender issues are not strictly addresses. The following are some of the issues that drive Uganda's gender gap;

- i. Cultural norms and beliefs where men dominate women.
- ii. Limited access to land to engage in productive venture.
- iii. Over reliance on men by women to sustain the families.
- iv. Imbalance between men and women in accessing employment opportunities
- v. Men control over proceeds from family land and income, and;
- vi. Limited access to financing by women.

The above if not addressed may affect implementation of the planned activities in the BFP.

Men's dominance in land activities

Women's participation in productive activities is still skewed and predominantly in land transactions. Most transactions that happen on land are done by men who sometimes abandon women after receiving money, leaving the women homeless sometimes.

Traditional norms and practices

The norms place men as heads of households and decision makers due to traditional customs like land inheritance which is largely a preserve of men. Very few women are involved in productive activities and long-term investments that require use of land for longer periods of time

The above issues need to be addressed while implementing the planned activities in the 2021/22 BFP and the Sustainable Development of Petroleum Resources Program in general.