
Foreword

Sustainable development of petroleum resources program aims to attain equitable value from the petroleum resources and spur economic development in a timely and sustainable manner. Key expected results include reducing the volume and value of imported petroleum and petroleum products, increasing revenue from oil and gas industry and contribution to GDP as well as creating more employment opportunities for Ugandans along the petroleum value chain.

This program contributes to these objectives (enhance value addition in key growth opportunities, strengthen the private sector to create jobs and enhance productivity and social well being of the population). Sustainable development of petroleum resources is one of the priority areas and is critical for enhancing value addition to oil and gas resources as one of the key growth opportunities. It facilitates the resource based industrialization agenda through exploitation of the available oil resources which will maximize returns for current and future generations. The realization of the results of this program will be through six objectives stated in the national development plan three.

The program will facilitate the resource based industrialization agenda thereby contributing to employment and improved quality of life for the current and future generations. This will require emphasis on human capital development, conservation of the natural environment and strategic investment of the petroleum revenues to achieve equitable socioeconomic and infrastructure transformation in the country. This programme contributes to the NDPIIs objective of increasing value addition in key growth opportunities. During the FY 2021-22 the program recorded achievements towards commercialization of the oil resources. The progress on attainment of set targets was delayed by a number of issues including land acquisition, delayed negotiations and covid19 disruptions. In the FY2022/23 the focus will be on fast-tracking the EACOP, UNOC capital

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Abbreviations and Acronyms

| ACRONYM | ACRONYM NAME |
|----------------|--|
| JVPs | Joint Venture Partners |
| MoDVA | Ministry of Defence and Veteran Affairs |
| PAU | Petroleum Authority of Uganda |
| SDPR | Sustainable Development of Petroleum Resources |
| UNOC | Uganda National Oil Company |

P1: PROGRAMME OVERVIEW**Snapshot of Medium Term Budget Allocations****Table P1.1 Overview of Programme Expenditure and Medium Term Allocations (Ush Billion)**

| <i>Billion Uganda Shillings</i> | | 2022/23 Proposed Budget | MTEF Budget Projections | | | |
|---------------------------------|---------|----------------------------|-------------------------|------------------|------------------|----------------|
| | | | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
| Recurrent | Wage | 23.829 | 23.829 | 23.829 | 23.829 | 23.829 |
| | NonWage | 69.534 | 69.534 | 69.534 | 69.534 | 69.534 |
| Devt. | GoU | 55.947 | 55.947 | 55.947 | 55.947 | 55.947 |
| | ExtFin | 0.000 | 0.000 | 859.751 | 1,459.701 | 0.000 |
| GoU Total | | 149.310 | 149.310 | 149.310 | 149.310 | 149.310 |
| Total GoU+Ext Fin (MTEF) | | 149.310 | 149.310 | 1,009.061 | 1,609.011 | 149.310 |
| A.I.A | | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Grand Total | | 149.310 | 149.310 | 1,009.061 | 1,609.011 | 149.310 |

Programme Strategy and linkage to the National Development Plan

Sustainable development of petroleum resources program goal is to attain equitable value from the petroleum resources and spur economic development in a timely and sustainable manner. In order to achieve the goal the following targets are expected to be achieved

Reducing the volume and value of imported petroleum and petroleum products.

Increasing revenue from oil and gas industry and its contribution to GDP.

Creating more employment opportunities for Ugandans along the petroleum value chain.

This program contributes to the following objectives

Enhance value addition in key growth opportunities.

Strengthen the private sector to create jobs.

Enhance productivity and social well being of the population.

The realization of the results of this program will be through six objectives stated in the NDP III which are; to maximize the countrys returns from the oil and gas resources; to ensure sustainable production and utilization of the countrys oil and gas resources; strengthen policy legal and regulatory frameworks as well as institutional capacity of oil and gas industry; enhance local capacity to participate in oil and gas operations and to promote private investment in oil and gas industry; enhance quality health safety security and environment; improve security of supply of refined petroleum products. This program BFP provides implementable actions towards attainment of the envisaged goal.

P2: Highlights Of Programme Projected Performance**Table P2.1 Programme Outcomes Indicators**

| | | | | | | |
|--|--|------------------|----------------|----------------|----------------|----------------|
| Programme Outcome | Increased participation of the local companies in the oil and gas industry | | | | | |
| Programme Objectives contributed to by the Intermediate Outcome | | | | | | |
| To enhance local capacity to participate in oil and gas operations | | | | | | |
| Programme Outcome Indicators | Performance Targets | | | | | |
| | Base Year | Base Line | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
| Number of contracts awarded to local companies | 2019 | 0 | 0 | % | % | % |
| Number of contracts awarded to local companies | 2019 | 0 | 0 | 0 | 0 | 0 |
| Number of local Companies on National Suppliers Database | 2019 | 0 | 0 | number | Number | Number |

| | | | | | | |
|---|---|------------------|----------------|----------------|----------------|----------------|
| Programme Outcome | Improved safety in oil and gas industry | | | | | |
| Programme Objectives contributed to by the Intermediate Outcome | | | | | | |
| To enhance Quality, Health, Safety, Security, Social and Environment (QHSSSE) | | | | | | |
| | Performance Targets | | | | | |
| Programme Outcome Indicators | Base Year | Base Line | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
| Lost time injury frequency rates (LTIFR) | 2019 | 0 | 0 | 0 | 0 | 0 |
| Total Recordable Injury frequency rate (TRIFR) | 2019 | 0 | 0 | 0 | 0 | 0 |
| Zero tolerance to fatalities | 2019 | 0 | 0 | 0 | 0 | 0 |
| Programme Outcome | Increased revenue from oil and gas resources | | | | | |
| Programme Objectives contributed to by the Intermediate Outcome | | | | | | |
| To ensure sustainable production and utilization of the country's oil and gas resources | | | | | | |
| | Performance Targets | | | | | |
| Programme Outcome Indicators | Base Year | Base Line | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
| mount of revenue from oil and gas sector (UGX Bn) | 2019 | 62.98billion | 100 billion | 150 billion | 200 billion | 265 billion |
| Programme Outcome | Increased contribution of the oil and gas sector to employment | | | | | |
| Programme Objectives contributed to by the Intermediate Outcome | | | | | | |
| To ensure sustainable production and utilization of the country's oil and gas resources | | | | | | |
| | Performance Targets | | | | | |
| Programme Outcome Indicators | Base Year | Base Line | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
| Contribution of the Oil & Gas to GDP (%) | 2019 | 0 | 0.1% | 1% | 1.5% | 2% |
| Number of Ugandans employed in the oil and gas and related industries | 2019 | 3,400 | 10000 | 25000 | 35000 | 50,000 |
| Programme Outcome | Increased days of Security Stock levels of refined petroleum products | | | | | |
| Programme Objectives contributed to by the Intermediate Outcome | | | | | | |
| To improve security of supply of refined petroleum products | | | | | | |
| | Performance Targets | | | | | |
| Programme Outcome Indicators | Base Year | Base Line | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
| Number of days of Stock levels in the country | 2019 | 1 | 2 | 5 | 8 | 10 |
| Programme Outcome | High Quality Supply of Refined Petroleum products | | | | | |
| Programme Objectives contributed to by the Intermediate Outcome | | | | | | |
| To improve security of supply of refined petroleum products | | | | | | |
| | Performance Targets | | | | | |
| Programme Outcome Indicators | Base Year | Base Line | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
| Level of quality compliance of refined petroleum products, % | 2019 | 99.0% | 99.1% | 99.3% | 99.5% | 99.7% |

| | | | | | | |
|--|---|------------------|----------------|----------------|----------------|----------------|
| Programme Outcome | Increased private investment in the oil and gas sector | | | | | |
| Programme Objectives contributed to by the Intermediate Outcome | | | | | | |
| To promote private investment in oil and gas industry | | | | | | |
| | Performance Targets | | | | | |
| Programme Outcome Indicators | Base Year | Base Line | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
| FDI in the oil and gas sector (UGX Billions) | 2019 | N/A | N/A | N/A | N/A | N/A |
| FDI in the oil and gas sector (UGX Billions) | 2019 | N/A | N/A | N/A | N/A | N/A |
| Private sector Investment in oil and gas to GDP (%) | 2019 | N/A | % | N/A | N/A | N/A |
| Programme Outcome | Increased investment in the oil and gas industry | | | | | |
| Programme Objectives contributed to by the Intermediate Outcome | | | | | | |
| To strengthen policy, legal, regulatory and institutional framework for the oil and gas industry | | | | | | |
| | Performance Targets | | | | | |
| Programme Outcome Indicators | Base Year | Base Line | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
| Proportion of investment in oil and gas to GDP (%) | 2019 | 0 | 0% | N/A | N/A | N/A |
| Programme Outcome | Sustainable management of oil and gas resources | | | | | |
| Programme Objectives contributed to by the Intermediate Outcome | | | | | | |
| To strengthen policy, legal, regulatory and institutional framework for the oil and gas industry | | | | | | |
| | Performance Targets | | | | | |
| Programme Outcome Indicators | Base Year | Base Line | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
| Level of compliance to Environmental standards (%) | 2019 | 100% | 100% | 100% | 100% | 100% |
| Level of compliance to Health and safety standards (%) | 2019 | 100% | 100% | 100% | 100% | 100% |
| Programme Outcome | Skilled local human resource employed in the oil and gas sector | | | | | |
| Programme Objectives contributed to by the Intermediate Outcome | | | | | | |
| To strengthen policy, legal, regulatory and institutional framework for the oil and gas industry | | | | | | |
| | Performance Targets | | | | | |
| Programme Outcome Indicators | Base Year | Base Line | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
| Number of Ugandans employed in the oil and gas and gas related industries | 2019 | 34000 | 5000 | 15000 | 3500 | 50000 |

Table P2.2: Intermediate Outcomes Indicators

| | | | | | | |
|---|--|------------------|----------------|----------------|----------------|----------------|
| Sub-Programme Name: | Upstream | | | | | |
| Intermediate Outcome Indicators: | Increased contribution of the oil and gas industry to employment | | | | | |
| | Performance Targets | | | | | |
| Indicators | Base Year | Base Line | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
| No. of Ugandans employed as professionals in the oil and gas sector | 2019 | 10000 | 20000 | 35000 | 40000 | 50000 |
| Intermediate Outcome Indicators: | Increased investment in the oil & gas industry | | | | | |
| | Performance Targets | | | | | |
| Indicators | Base Year | Base Line | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
| Industry contribution to GDP, % | 2019 | 0 | 0.5% | 1% | 1.5% | 2% |

| | | | | | | |
|--|---|------------------|----------------|----------------|----------------|----------------|
| Sub-Programme Name: | Upstream | | | | | |
| Intermediate Outcome Indicators: | Increased investment in the oil & gas industry | | | | | |
| | Performance Targets | | | | | |
| Indicators | Base Year | Base Line | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
| Level of growth of investment in downstream infrastructure | 2019 | N/A | % | N/A | N/A | N/A |
| Intermediate Outcome Indicators: | Increased revenue from oil and gas resources | | | | | |
| | Performance Targets | | | | | |
| Indicators | Base Year | Base Line | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
| Increase Oil and Gas revenue | 2019 | 62.98 BILLION | 100 BILLION | 150 BILLION | 200 BILLION | 265 BILLION |
| Sub-Programme Name: | Midstream | | | | | |
| Intermediate Outcome Indicators: | Increased investment in the oil & gas industry | | | | | |
| | Performance Targets | | | | | |
| Indicators | Base Year | Base Line | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
| Industry contribution to GDP, % | 2019 | 0 | 0.5% | 1% | 1.5% | 2% |
| Level of growth of investment in downstream infrastructure | 2019 | 0 | 0% | N/A | N/A | N/A |
| Sub-Programme Name: | Downstream | | | | | |
| Intermediate Outcome Indicators: | High Quality Supply of Refined Petroleum Products | | | | | |
| | Performance Targets | | | | | |
| Indicators | Base Year | Base Line | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
| Level of quality compliance of refined petroleum products | 2019 | 99.0% | 99.2% | 99.4% | 99.5% | 99.7% |
| Intermediate Outcome Indicators: | Increased days of Security Stock levels of refined petroleum products | | | | | |
| | Performance Targets | | | | | |
| Indicators | Base Year | Base Line | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
| Number of days of Stock levels in the country | 2019 | 1 | 3 | 5 | 8 | 10 |

P3: Medium Term Budget Allocations by Sub-Programme and Vote

Table P3.1: Proposed Budget Allocations and Medium Term Projections by Sub-Programme

| | <i>Billion Uganda Shillings</i> | | | | | |
|--------------------------------|---------------------------------|--------------------------------|------------------|------------------|----------------|--------|
| | 2022/23 | Medium Term Projections | | | | |
| | Proposed Budget | 2023/24 | 2024/25 | 2025/26 | 2026/27 | |
| 01 Upstream | 68.675 | 68.675 | 68.675 | 68.675 | 68.675 | 68.675 |
| 02 Midstream | 66.175 | 66.175 | 925.926 | 1,525.876 | 66.175 | 66.175 |
| 03 Downstream | 14.460 | 14.460 | 14.460 | 14.460 | 14.460 | 14.460 |
| Total for the Programme | 149.310 | 149.310 | 1,009.061 | 1,609.011 | 149.310 | |

Table P3.2: Proposed Budget Allocations and Medium Term Projections by Vote

| <i>Billion Uganda Shillings</i> | 2022/23 | Medium Term Projections | | | |
|--|-----------------|-------------------------|------------------|------------------|----------------|
| | Proposed Budget | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
| 008 Ministry of Finance, Planning and Economic Development | 48.097 | 48.097 | 48.097 | 48.097 | 48.097 |
| 017 Ministry of Energy and Minerals | 49.340 | 49.340 | 909.091 | 1,509.041 | 49.340 |
| 139 Petroleum Authority of Uganda (PAU) | 51.568 | 51.568 | 51.568 | 51.568 | 51.568 |
| 506 Uganda High Commission in Tanzania , Dar es Salaam | 0.305 | 0.305 | 0.305 | 0.305 | 0.305 |
| Total for the Programme | 149.310 | 149.310 | 1,009.061 | 1,609.011 | 149.310 |

P4: PROGRAMME PRIORITIES IN LINE WITH INTERVENTIONS FOR FY2022/23

| Programme Priorities FY2022/23 | NDP III Programme Intervention aligned to |
|---|--|
| Secure financing for UNOC operations | Capitalize UNOC to execute its mandate as an investment arm of government in oil and gas industry. |
| Negotiate and execute all commercial and legal agreements for the oil and gas projects | Complete the relevant oil and gas project commercial agreements |
| Undertake the feasibility study on establishment of a robust petrochemical industry | Conduct a feasibility study to establish a robust and adequate petrochemical industry |
| Implement RAP for Tilenga and Kingfisher projects while ensuring that gender and equity aspects are considered. | Construct the Central Processing Facilities (CPFs) for Tilenga and Kingfisher projects; |
| Develop and implement project specific Marketing Strategies | Develop and implement a marketing and promotional strategy for oil and gas projects. |
| Develop and implement a sustainable financing strategy for oil and gas. Assess and implement the approved optimal financing options for Programme projects and operations. Undertake promotional activities for private investment in oil and gas industry. Undertake targeted visits to potential investors. | Develop and implement a sustainable financing strategy |
| Develop and implement Disaster Recovery Plans. Implement the National Oil Spill Contingency Plan. Conduct an oil and gas hazard risk and vulnerability profiling and mapping of the districts involved. | Develop and implement an oil and gas disaster preparedness and contingency plan; |
| Undertake Project specific Environmental and Social Impact Assessment studies, risks and audits. Develop Project specific Environment and Social Management Plan. Compliance enforcement. Implement the Strategic Environmental Assessment (SEA) for the new Albertine Graben and basins. Develop environmental tools to monitor impacts of oil and gas on environment such as environmental atlases, Monitoring plans, checklists, guidelines etc. Undertake strategic environmental assessment for plants, policies and programs. Undertake capacity building for government agencies in better environmental management with emphasis on gender and equity aspects. Implement initiatives in the project specific Environment and Social Management Plan. | Develop and implement environmental and social management plan |

| Programme Priorities FY2022/23 | NDP III Programme Intervention aligned to |
|--|---|
| Develop and implement the Oil and gas QHSSE standards for infrastructure Establish Quality Management System for Oil and Gas operations considering gender and equity aspects Develop and implement standards on Climate Change | Develop and implement oil and gas QHSSE systems and standards; |
| Develop a decommissioning strategy for oil and gas projects. Develop decommissioning and closure management plans | Develop decommissioning and closure management plans |
| Develop and implement standards for transportation of petroleum products on lake and rail Develop measurement and metrological controls Master plan/routing for refined products on the lake prepared | Develop operations standards of transportation of petroleum products on Lake and Rail |
| Develop LPG and Natural Gas Transportation, Storage and other infrastructure Standards and codes of practice. | Develop standards for storage infrastructure including LPG, transportation and other facilities |
| Develop regional storage facilities (Arua, Gulu, Mbale, Mbarara and Soroti) Refurbish the Nakasongola Storage Facility Implement the National Strategy and plan for Petroleum Transportation and Storage. | Develop strategic regional storage terminals for petroleum products |
| Undertake a technology needs assessment for the industry Develop an innovation strategy for Oil and Gas Undertake Research and Development on oil and gas development and production | Develop strategy for an oil and gas innovation hub; |
| Develop Standards and codes of practice for Petroleum storage infrastructure. Monitor Petroleum quality for compliance with EAS | Development of standards for storage infrastructure and other facilities |
| Undertake Natural gas pipeline relevant studies. Acquire Land for the pipeline and storage facilities. Negotiate and execute Project associated agreements. Develop the natural gas pipeline and associated storage facilities from Tanzania to Uganda. | Development of the Natural Gas Pipeline from Tanzania to Uganda to support EACOP, Iron Ore Industry and other industrial and domestic uses |
| Develop a measurement verification and regulatory framework. Establishment of regional standards and metrological offices Establish measurement and calibration needs of QHSSE. Support development of bylaws and ordinances to boost enforcement on environment | Establish QHSSE governance and assurance framework; |
| Localize the accreditation process in the Country. Train and certify Ugandans to international oil and gas industry standards. Localize the accreditation process in the Country. Train and certify local suppliers considering the youth, women, elderly and PWDs. | Fast-Track Skilling (e.g., apprenticeship), Training and International Accreditation of Ugandans including women, youth and PWDs for employment and service provision in the development/phase of the oil and gas sector. |
| Implement the Oil and Gas Communication Strategies with emphasis on gender and equity aspects. | Implement a communication strategy to deal with public anxiety and managing expectations; |
| Implement the Agricultural Development Strategy for the Albertine Region considering gender and equity aspects. Upscale the agricultural development project to cover the pipeline districts | Implement the Agricultural Development Strategy for the Albertine Region |
| Develop and implement the Value Addition and Marketing strategy for Goods and Services in Oil and Gas Standardize, test and certify local products to product standards | Implement the strategy on value addition and marketing of goods and services that will be demanded by the oil and gas sector |
| Upgrade and update the NPIS | Improve the operations of the National Petroleum Information System |

| Programme Priorities FY2022/23 | NDP III Programme Intervention aligned to |
|---|--|
| Implement initiatives that enhance the local Service providers capacity considering the women, youth and PWDs. Implement initiatives that enhance Ugandan citizens competitiveness for jobs in the sector with consideration of gender and equity aspects. | Operationalize the National Content policy to enhance local Content and participation of nationals including women and youth in the oil and gas sector |
| Establish and operationalize the Industry Enhancement Centre | 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) |
| Secure financing for the JST Oil jetty and pipeline construction Secure financing for National Strategic Reserves | Restock and manage Jinja Storage Terminal |
| Undertake a regulatory impact assessment for the National Oil and Gas Policy considering the elderly, youth, women and PWDs. Revise and update the National Oil and Gas Policy. Review, update and formulate laws, regulations and guidelines | Review, update relevant policies, and harmonize conflicting laws and regulations; |
| Implement the EITI oil and gas medium term action plan | Strengthen governance and transparency in the oil and gas Sector. |
| Design and Construct Pre requisite infrastructure in Kabaale Industrial Park (fencing, access roads, power and ICT) considering the elderly, PWDs, women and children. Construction of Regional Offices in Albertine Graben region Complete implementation of the Resettlement Action Plan for the Refinery Implement the RAP for the refined products pipeline with due consideration of gender and equity issues. Undertake FEED and ESIA for the refined products pipeline and storage terminal. Construct the oil refinery. Construct the refined products pipeline and associated terminals Construct the EACOP. Undertake EACOP RAP with the consideration of the elderly, youth, women and PWDs. Implement the Intergovernmental agreements and other transboundary harmonization issues. Construct the Kampala Storage Terminal and auxiliary facilities Undertake the feasibility study on the upgrade of the Petroleum Geoscience Laboratory Develop National calibration and measurement capacity. Equip the Petroleum Geoscience laboratory. Establish and equip the National Petroleum Data Repository | Undertake construction and operationalisation of infrastructure projects in the Albertine Region to ease movement of goods, labour and provision of services |
| Undertake basin Analysis and resource assessment. Evaluate and approve Reservoir Management Plans. Undertake licensing rounds and award licenses to the successful bidders with due consideration to gender issues. Review and approve the submitted Field Development Plans. Award Production licenses. | Undertake further exploration and ventures of the Albertine Graben |

P5: GENDER AND EQUITY ISSUES AND INTERVENTIONS FOR FY2022/23

The low gender and equity rating in all services provided across the country as guided by the equal opportunities commission staff training and sensitization on gender and equity issues and the value of engendering the budget.