

The Uganda Chamber of

MINES & PETROLEUM

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JULY, 2013

KARAMOJA

A case for human rights in mining
...as eastern region minerals catch the eye

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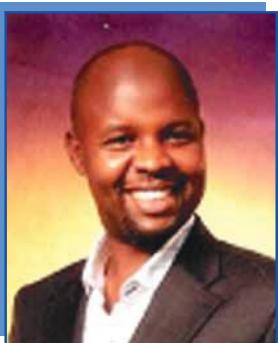
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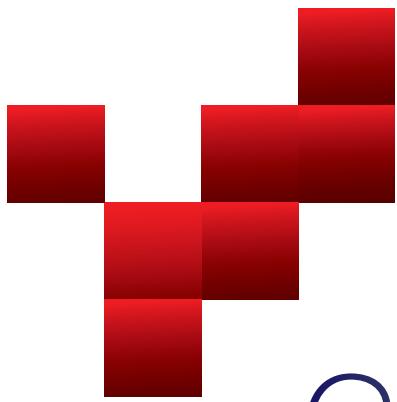
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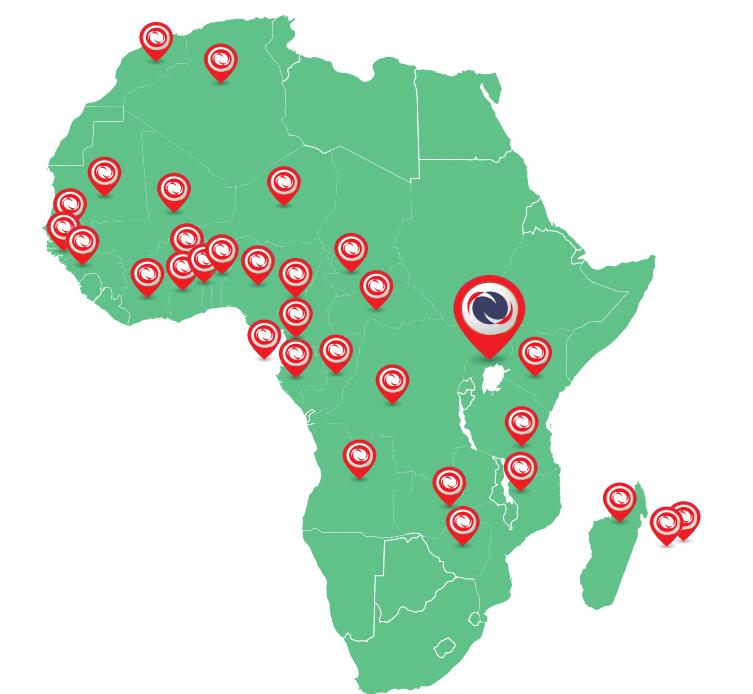
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contents

50 Artisanal miners
given a Heartbeat

56 UK businesses seek
Uganda partnerships



A map of East Africa (Kenya, Tanzania, Uganda, Rwanda, Burundi, and parts of Ethiopia and Somalia) with numerous red location pins scattered across it, indicating the presence of CFAO Motors in various cities. One pin in central Uganda has a larger, stylized blue and white logo.

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Keeping the eye on the ball

The fast tracking of the bidding process for the role of lead investor for the oil refinery and related downstream infrastructure is just one of several encouraging developments in the petroleum sector in recent times. For an industry that has been beset by long lulls, it is reassuring to finally see the show back on the road. As such, it is important that as key cogs in all this, we, the members of the Uganda Chamber of Mines and Petroleum (UCMP) reassess and ready ourselves for what is going to be a very busy chapter in Uganda's oil and gas industry – the development phase.

Amidst all this is talk of the auctioning of new oil blocks by the government to kick start a fresh licensing round. We will continue to watch this with interest.

Meanwhile the mining story in our country continues to develop steadily. Just the other day, some members returned from a four-day trip to the mineral rich areas in the eastern and north eastern districts of Bugiri, Busia, Tororo, Mbale, Nakapiripiriti and Moroto. This followed similar trips to the west and south west of Uganda last year.

As we can all attest, God's mineral blessings to Uganda are incredible – and this trip served to confirm this. The potential of our mining industry is well documented; and the time is now to turn this potential into tangible returns. Artisanal miners need to be supported to better their mining methods; while the mining companies need infrastructural support in addition to soft loans and grants. Luckily, we have State House on our side as we continue to brainstorm on how best to take our mining industry to the next level.

And in his own capacity, President Yoweri Museveni too has sustained his association with the Chamber, following on from last year, when he graced our Mineral Wealth Conference and later invited us to State House for a day-long workshop about mineral beneficiation. Apart from seeking our input on the country's mining industry, before speaking at an investment conference recently, the President also invited us to address the same gathering – where the UCMP, Vice Chairman, Hon Richard Kaijuka ably represented.

We need to keep this momentum going; hence the call for you to ensure you participate in the third Mineral Wealth Conference slated for October, 2014.

Heartfelt congratulations to Tibet Hima Industry Company for finally starting operations at Kilembe copper mines. We can only hope the incessant floods do not derail your good work.



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TOTAL E&P UGANDA



Infrastructure projects like this rehabilitation of the Kampala-Masaka highway are expected to take the lion's share of the oil revenues

Uganda to decide on petroleum fund



Finance Minister, Maria Kiwanuka

If everything goes according to plan, Uganda's legislators will sometime this year debate the Public Finance Bill 2012, with critical discussion expected to centre on the management of the Petroleum Fund.

The bill has been lined up on Parliament's order paper, and could come up for discussion any time

soon. Although, the bill could find a barrier in the political climate, which is getting heated ahead of the 2016 general elections.

The Public Finance Bill seeks to create a new form of managing public finances, with the aim of creating efficiency and plugging any leakages.

“How quickly should the saved resources be invested in physical capital formation in Uganda?”

The bill clearly defines how government mobilizes revenue to finance its programmes. It provides for a mechanism on how government should maintain sustainable debt levels, among others.

But it is the debate on the Petroleum Fund that the public is expected to be keen on.

Up to 3.5 billion barrels of oil have been discovered in less than half the area thought to be prospective with hydrocarbons in Uganda, with 1.7 billion of that said to be discoverable. The ministry of energy currently values Uganda's oil at \$150 billion, although it does not offer a calculation on how it arrives at this figure. At least \$12 billion in investments is needed for Uganda to produce oil by its target year of 2018.

A petroleum fund will be created and managed by Bank of Uganda.

Uganda Revenue Authority will be responsible for the collection and deposit of petroleum revenues due to the Government, including penalties for late payment.

Revenues into the fund will be sourced from the taxes charged on oil activities; profit oil, which is the money the government will earn minus the costs incurred by the company; royalties, bonuses, among others.

The Revenue Oil Revenue Management Policy of 2012 notes that the proceeds from the Petroleum Fund "will be invested for the benefit of the current and future generations."

The policy clarifies that "A Petroleum Fund is no substitute for sound fiscal management but a well designed and managed Fund [which] shall help fiscal policy and support a policy of wise-long term management of petroleum wealth."

It is from much of the policy that the

bill is designed. Late 2013, the bill went through some amendments.

The original Bill called for two accounts in what was applauded as government's move to check any abuse of the funds. The reserve account would have money for future generations with strong limitations on who could access it, while the holding account would be used to support the national budget.

It appears now that the Ministry of Finance has changed its position over the inclusion of a reserve account. The amended Public Finance Bill suggests only the inclusion of a single Petroleum Fund, and cuts out the reserve account.

"It is not advisable to split the Petroleum Fund into a Petroleum Holding Account and a Petroleum Investment Reserve. The split effectively prohibits the government from ever accessing the principal of the Petroleum Investment Reserve for budget financing. This is likely to prove incredible in a country with relatively limited oil reserves and large long-term development needs," the ministry said.

"Furthermore, if, in a given year, oil production is temporarily interrupted, the government will be forced to resort to expensive borrowing (rather than redeeming some of its Petroleum Fund investments) to meet its expenditure needs," the ministry added, laying the stage for a heated debate in Parliament.

The bill notes that "The monies withdrawn from the Petroleum Fund shall be invested in accordance with the petroleum revenue investment policy issued by the Minister in consultation with the Secretary to the Treasury and on the advice of the Investment Advisory Committee."

Experts have previously weighed in on this issue of how petroleum revenues should be invested. Governor Tumusiime Mutebile,

in a presentation at a Bank of Uganda seminar in early 2012, said there is a need to come up with an "appropriate balance between consuming and saving resources."

Mutebile asks the question: "How quickly should the resources which are saved be invested in physical capital formation in Uganda?" He goes on to say that "The answer to the latter question depends on the capacities of our economy to implement investment projects efficiently; capacities which are currently very weak, as is evident from the poor implementation record of many donor funded projects."

While delivering a speech at Bank of Uganda's annual Joseph Mubiru memorial lecture in 2011 Paul Collier, a director for the Centre for the study of African Economies at the University of Oxford, said that "Until investment capacity is built, the increase in savings generated from resource depletion should be parked abroad in financial assets. The time-scale for such saving abroad is, however, much shorter than that adopted by Sovereign Wealth Funds: the objective is to preserve asset value until investment capacity has expanded sufficiently for the money to be brought back and invested domestically."

Collier then added: "Perhaps it might take a decade for Uganda to put in place the systems and human skills to manage the investment process well. During this phase both the revenues earmarked for long-term asset accumulation, and much of the revenues earmarked for warranted consumption, should be invested in foreign financial assets." How Uganda seeks to find the right balance will be of public interest. Investors in the industry will also be keenly following the discussions. Part of the reason is that many will want to see how the country's investment policy in regards to public expenditure will either reduce the costs of doing business or not.

MoU is excellent – JV Partners

A Memorandum of Understanding (MOU) defining the commercial framework for Uganda's oil industry was signed on February 5, 2014 between the government of Uganda and the joint venture partners of Cnooc Uganda Ltd, Total E & P Uganda BV and Tullow Uganda Operations Pty Ltd (a subsidiary of Tullow Oil Plc). The MOU lays out a route-to-market framework for the oil resources and sets up Uganda as a future oil producer. In this interview, the JV partners share their thoughts on this MoU:

What are the finer details of the MoU signed with Uganda?

The MOU lays out a route-to-market framework for the oil resources and sets up Uganda as a future oil producer. The commercial framework in the MOU signed between the partners and the Government of Uganda consists of a crude export pipeline, to be developed in the same timeline with a right-sized petroleum refinery to meet local demand as well as petroleum to power projects. The refinery will have an initial capacity of 30,000 barrels a day, subsequently upgraded to 60,000 barrels a day if demand growth is confirmed.

As per the MOU, the Government of Uganda will lead the development of the refinery with the support of the JV partners while the JV partners will lead the development of the pipeline with support of Government of Uganda.

Are you satisfied with the terms of this agreement?

As Joint Venture partners we are happy with the MOU as it marks a key milestone in the development of Uganda's oil resources. It has paved the way for the commercialization of



President Museveni and Works, State Minister John Byabagambi tour Kilembe after the May 2014 floods. Kwatampora (2nd L) explains what transpired

Uganda's oil.

What are your respective investment plans this year and 2015 as related to the MOU?

The JV partners are now transitioning from the exploration and appraisal phase to the development phase and with the signing of the MOU, a detailed implementation plan is being defined in order to jointly agree with the Government of Uganda on the mains steps and actions required to achieve first oil as early as possible.

Consequently, the coming few years will be characterized by attainment of production licenses, harmonization of the fiscal regime for the oil industry, agreements between and with concerned States on the crude export pipeline, Front End Engineering Design (FEED) studies, costing, IFC Performance Standards on environment, social and biodiversity aspects, NEMA approvals, planning and upgrade of infrastructures, national content capacity building and financial planning leading to the principle objective of a Final Investment Decision.

When can Ugandans start accessing the much vaunted jobs and oil contracts?

The partners are currently employing a large number of Ugandans at various levels both in the Kampala offices and on site. In addition, the partners have guiding policies on the promotion on National Content through the use of local companies that meet the required international standards in all sectors including camp management, lifting services, waste management and food supply among others.

We have also carried out an Industrial Baseline Survey to help us establish the capabilities of the Ugandan market to respond to future needs that will accrue from the oil project in Uganda and the findings of this survey were released to the public and private sector. The survey was carried out in the spirit of promoting and enhancing national content in Uganda. It is aimed at encouraging service providers to be proactively involved in the future opportunities made available by the project. Where advanced expertise is required, we would like to encourage partnerships

between local and foreign companies in order to build and strengthen capacity.

Harmonizing of plans cannot be possible when it's only CNOOC with a production license so far. How is the discussion around having Tullow's and Total's FDPs accepted going? Won't CNOOC's progress be compromised by the failure of its partners to procure their production licenses sooner rather than later.

As partners we have secured a production license for Kingfisher in Block 3 operated by CNOOC. We have also applied for another 8 production licenses in Block 1 and Block 2 operated by Total E&P Uganda and Tullow Oil respectively. Government is currently reviewing these applications. It is an interactive process which requires attention to detail considering the magnitude of this project as well as constant communication with the Ministry of Energy to ensure that all inquiries pertaining to the FDPs are addressed before production licenses are awarded. According to the Petroleum Act, approval of an FDP can occur within 6 months after submission.

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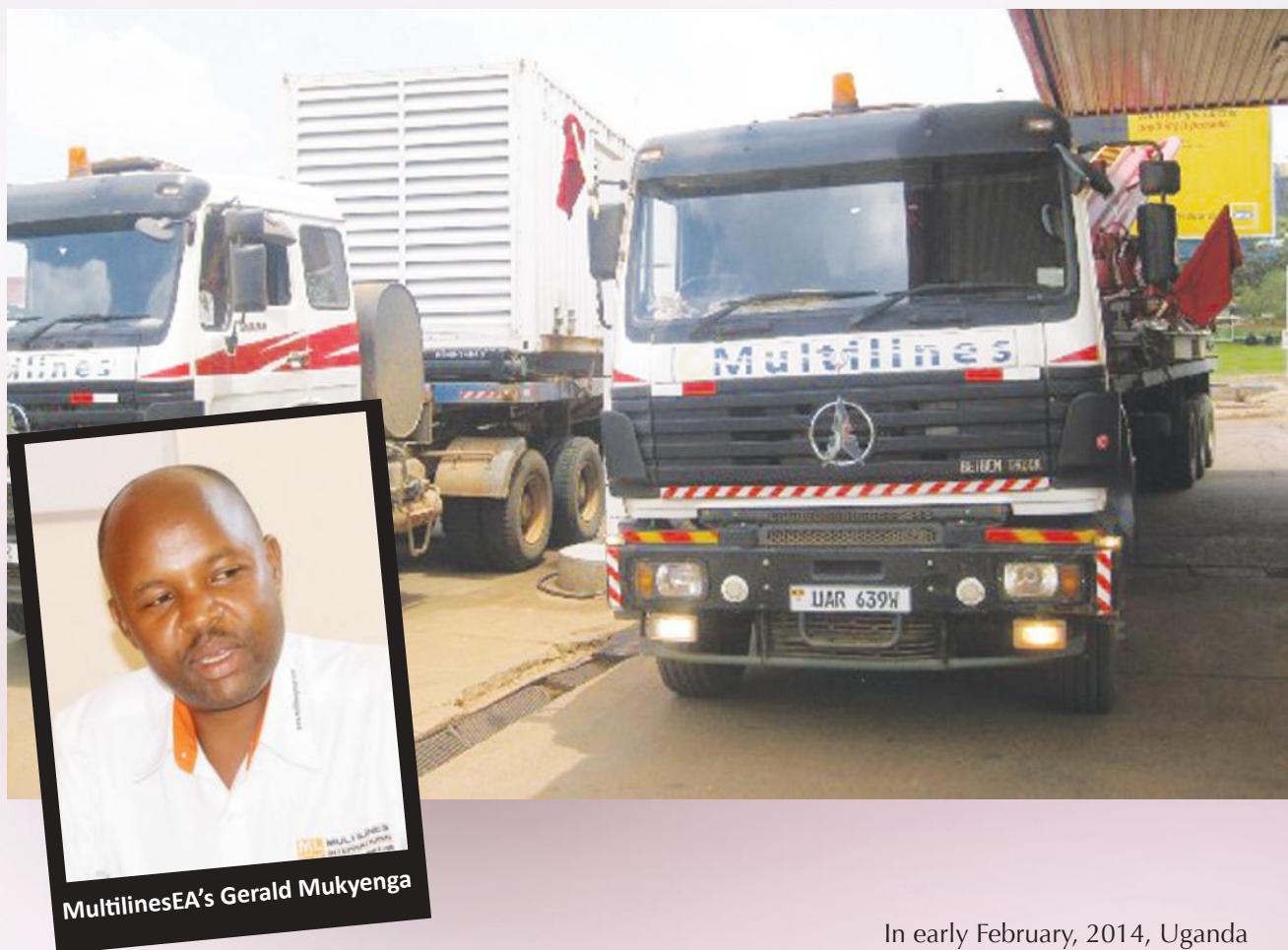
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Oil service providers play the cautious game

It's a case of once beaten; twice shy, for support firms



Multilines EA's Gerald Mukyenga

Something is amiss in the oil and gas industry in Uganda. A bubbly sector that was brimming with activity less than three years ago has been beset by a telling indifference of late. At least that is the mood you read when talking to several stakeholders in the industry.

.....
"Over the years, we have learnt to be cautious. We don't want to rush anything before something significant happens
.....

In early February, 2014, Uganda and the international oil companies signed a Memorandum of Understanding that will provide a framework for achieving a harmonized commercialization plan for the development of the oil and gas resources in the country. Announcing the development then, Irene Muloni, the Minister of Energy and Mineral Development called it a significant step for Uganda as it provided a roadmap for the commercialization of the country's petroleum resources.

However, this is not the same way Gerald Mukyenga, the Group Managing Director at Multilines East Africa, a cargo freight logistics company, sees it.

"Over the years, we have learnt to be cautious. We don't want to rush anything before something significant happens," he said at his Kololo office in Kampala

This guardedness means that whereas three or so years ago most of the service providers would have rushed to build capacity in preparation for the likely contracts, this time around, they will not budge till they actually see something tangible on table.

The discovery of oil in 2006 raised the nation's expectations tenfold with many Ugandans envisaging their fortunes transformed overnight via the petrodollars. Suddenly, the petroleum sector became the most attractive industry to be associated with. Investments in the sector – mainly internationally led – saw the country's Foreign Direct Investment (FDIs) scale unprecedented heights. Local content too became a byword as Ugandans sought to cash in on the windfall. As a result, several Ugandan companies and individuals too invested in building their capacity to ensure they were in position to handle the imminent lucrative contracts and jobs.

However, a slowdown in activities in the sector in 2011 due to tax disputes and controversial debates on the viability of the refinery and pipeline projects suddenly dampened the outlook. And while the signing of the MoU in February would ordinarily have been seen as the stimulant the industry sought to reinvigorate itself, it has been anything but.

The plus side for many service providers in the sector, is that their rush excitement to invest in capacity building has forced them to grow enough capacity – both in equipment and trained personnel – to handle whatever kind of job in their scope.

Wishful thinking?

But whereas others see light at the end of the tunnel, sine like Ben Mugasha of Bemuga Forwarders, a transportation firm, fear that the big contracts may already have eluded the local service providers.

"Information is scanty and we keep hearing that foreign firms are being considered to carry out jobs yet we have the capacity to handle them ourselves," says Mugasha.

His fears though are rejected, in a joint statement by the joint venture partners of CNOOC, Total and Tullow, who point out that they have guiding policies on the promotion of National Content through the use of local companies that meet the required international standards in all sectors including camp management, lifting services, waste management and food supply among others.

"We have also carried out an Industrial Baseline Survey to help us establish the capabilities of the Ugandan market to respond to future needs that will accrue from the oil project in Uganda and the findings of this survey were released to the public and private sector," the partners add.

The survey, they explain, was carried out in the spirit of promoting and enhancing national content in Uganda.

"It is aimed at encouraging service providers to be proactively involved in the future opportunities made available by the project. Where advanced expertise is required, we would like to encourage partnerships between local and foreign companies in order to build and strengthen capacity," note the partners.

The JV partners met with various stakeholders in May under the theme: "Planning for the future and promoting National Content- A survey to foster opportunities for Uganda in the Oil and Gas sector" and the results of a the 3 month Industrial Baseline Survey of the petroleum industry were made public.

Survey Highlights

- The Lake Albert basin project will create between 100,000 to 150,000 jobs through direct, indirect and induced employment.
- Of the required, 15 percent are engineers and managers, 60 percent are technicians while 25 percent are unskilled labourers
- Direct jobs will be technical and limited between 11,000 and 15,000
- Indirect jobs will also be technical with the majority of these being created by other sectors which will benefit from the economic development triggered by oil projects
- Biggest HR challenge is the number and level of certification of technicians that comply with the needs of the petroleum sector
- Some industries can currently absorb project demands while many still need to enhance their capacity in terms of production volumes and standards
- More visibility and information about business opportunities and type of technology and capacity required by service providers

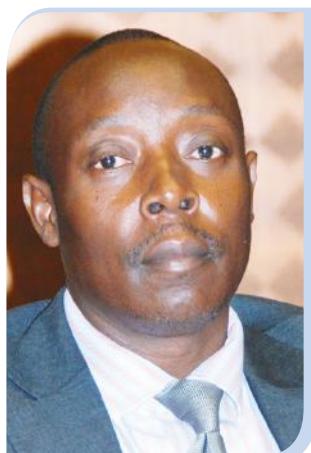
How to boost capacity:

- Partnering with the Uganda education system to produce qualified graduates for the sector
- Promoting the development of Ugandan companies
- The establishment of regular and sustained communication between the Government of Uganda, the J.V partners and the business community in order to explain the available opportunities



Land compensation handled well – PEPD

In September last year, the government of Uganda, through the Petroleum Exploration and Production Department (PEPD), flagged off the compensation of 7,118 people in 13 villages in Hoima district to pave way for the construction of a petroleum refinery. The project manager, **Robert Kasande (below)**, who is also the Asst Commissioner PEPD, tells the UCMP magazine, how the exercise is going so far:



How far is government with the implementation of the Resettlement Action Plan (RAP) scheme?

The payment of compensation to affected persons is well underway. The exercise is being conducted in accordance with the national laws, international standards and industry best practice. Over 50 per cent of the Project Affected Persons

have been compensated.

There are reports of Project Affected Persons (PAPs) not receiving full monetary entitlements; with some people threatening not to leave their land. How are you dealing with this issue?

PAPs are being paid the full amount that was valued from their property. No one has approached government

or our consultant complaining that they have received less than what they are entitled to. We are also not aware of anyone threatening not to vacate the land. Before one vacates their land, such persons must be fully compensated and given a three month vacation notice. And even then, government does not plan to possess any land whose owners are not yet compensated.

From the last communication, only Shs78 billion had been earmarked to compensate the 7,118 PAPs. Is this money enough for the project?

The total number of PAPs is 7,118 but property owners are 2708. Therefore, the funds are to compensate property owners, and not everyone. This also includes buying land and building resettlement houses for those who opted for relocation. This amount is expected to be sufficient.

There are two categories of PAPs: those who opted for compensation and the others who preferred relocation. But so far only compensations are being handled, what is the update on the other group?

Both categories of PAPs are being handled. Those who opted for cash compensation are being paid while arrangements are being made to buy land where to resettle those who opted for relocation.

A request for expression of interest to sell land to government was advertised in the press and some people responded.

An inter-ministerial team was put in place and it visited the different sites and made its recommendations, which are now being followed. PAPs were asked to form a committee among themselves, which will work with the RAP implementing consultant and government officials. The team visited the recommended sites and expressed its satisfaction.

Where do you intend to relocate them, and what is the procedure?

PAPs who opted for relocation will be resettled in Kyakaboga Buseruka Sub county, Hoima district.

Their committee will work with us until construction of resettlement houses is completed and thereafter they will be shifted to their newly built houses. Upon relocating them, livelihood restoration interventions will be undertaken to ensure their livelihoods are quickly restored.

The PAPs in the 13 villages in Kabaale also claim of little or no government supervision at all; with only the consulting firm, SFI on ground.

That is not true. Government has competent officers on ground that monitor the exercise.

The success so far achieved is because the exercise is handled professionally and competently.

Out of 2708 PAPs, 87 have not signed; of which 45 have registered complaints through the grievance handling mechanism. These complaints have been addressed and they will soon receive feedback. Therefore a poorly handled exercise cannot register such success given that people were largely mobilized through radios and voluntarily moved from their homes to participate in the exercise.

Others PAPs claim connivance between local leaders with SFI

officials to undervalue their property. Is there any investigation to ascertain these claims?

There is a grievance handling mechanism in place through which such issues can be resolved.

The consultant used compensation rates developed by the district land board and approved by the Chief Government Valuer. These rates were not specifically developed for compensating persons affected by the refinery; they are for the entire district and apply in all other land acquisitions.

When does implementation of the programme (RAP) end?

The RAP implementation will end when all PAPs are paid their compensation and others relocated to a new site and supported to restore their livelihoods. Thereafter, there will be an evaluation of the entire exercise. This is expected to be at the end of 2014.

Basing on what you have heard and read in the press, what would be your impression of the entire project?

We do not judge the exercise by stories in the press. Press stories quote individuals complaining about the exercise but it does not follow up if such complaints are true.

For example 42 PAPs who rejected compensation money are always in the media to show that the exercise is not well handled. But 2,666 were satisfied and they signed for compensation.

What lessons have you learnt from this relocation exercise?

There is little or no understanding of what a RAP is. We would expect people like journalists and other non-state actors like Civil Society Organizations (CSOs) to seek to know the concept of RAP and the processes it takes. Unfortunately this has not happened. Instead, they have claimed knowledge of the exercise, which has in most cases resulted into them judging our actions wrongly and sending a wrong picture to the public.

Another lesson learnt is that compensation should always be timely. When it delays, people grumble and other negative-minded people come in to confuse them that government is forcefully taking their land without pay.

What has been the Ministry of Lands implementing the project?

We are working very closely with the Ministry of Lands, Housing and Urban Development.

The compensation rates used are approved by the Chief Government Valuer in the Ministry of Lands. It is the same ministry that will issue the land titles. Our sensitization meetings, too, have been conducted in conjunction with its officials.

Any last word?

There is increased activity by Civil Society Organizations in the project area and our expectation is that they help supplement government efforts to educate people on how to utilize compensation money

As the last batch of the more than 7,000 people being relocated from Kabaale, Buseruka Sub-County, Hoima district – the host area for Uganda's refinery – move to another area, investors in the industry should pay keen attention to the exercise.

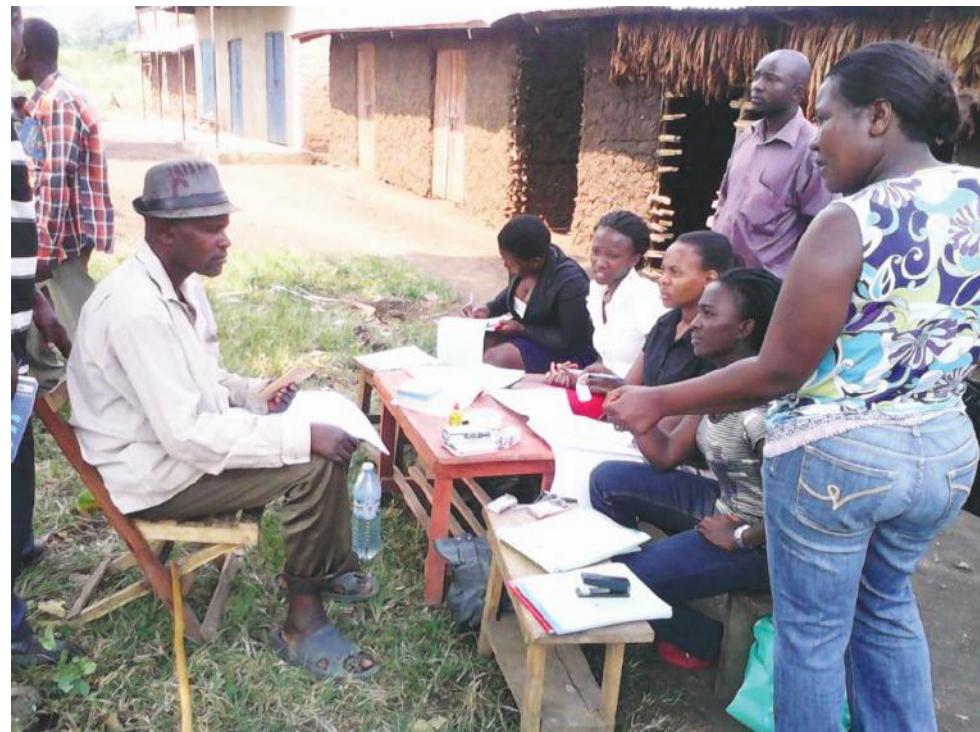
If handled well, the relocation exercise will send a positive signal that the other expected major relocation, which will be undertaken through more than five districts to make way for the construction of the oil export pipeline, will likely go on smoothly, boosting investor confidence. Up to 29 square miles, spanning through 13 villages, will be acquired.

Strategic Friends International, a consultancy firm, was given the contract to come up with a relocation action plan, offering ways of how the process could be undertaken efficiently. The firm handed the plan to government.

Like it was expected, not everyone in Kabaale was happy with the compensation fees.

Some activists say the programme implementation is unfair to the land occupants, pointing mainly at the undervaluation of property. A group of 80 project affected persons have already filed a court case against government.

Robert Kasande, the refinery project manager, says, as government, they believe in constructive criticism, which in most cases brings about better results. In this case, he



An affected resident listens to SFI officials at a disclosure centre in Kigaaga village, Kabaale parish

Refinery compensation; understanding the risks

feels, people have chosen to go and complain to the media without first seeking explanations from them.

"In most cases government has been unfairly accused because people have different intentions. It is also unfair to use the complaints of a group of few people to determine the success or failure of the exercise," he said.

Both Strategic Friends International (SFI) and the Petroleum Exploration and Production Department (PEPD) maintain that people's property — land, crops and houses - were valued at rates set by the district, which was later approved by the government chief valuer in the Ministry of Lands.

Dennis Obbo, the principal information scientist in the Lands Ministry, agrees that they approved the rates for valuing the land using the 2011/2012 so the claims do not hold any water unless proven otherwise.

"The problem here is the timeliness. The ministry sanctioned the rates of 2011/2012 during the execution of the RAP study so basically project implementers should have moved fast and not wait for 2013/2014 because rates keep changing," he said.

Financial literacy

PEPD and SFI say a lot of civic education has been carried out and a number of village meetings held on the

relocation exercise. There is still a problem of people mismanaging their monetary entitlements. Kasande, who is also the assistant commissioner, PEPD, says government's expectations are that they help supplement current efforts to educate the PAPs on how to utilize compensation money. "Government has organized training for PAPs on financial management to impart them with skills on prudent utilization of compensation money."

About, RAP

The project commenced late May 2012 and has affected 2,473 land owners, 1,221 households, 3,514 women and 1,344 children under five years, according to RAP study report.



VW eyes oil, mining with HSE specs

CFAO Motors, Uganda, the registered importer and distributor of Volkswagen, have launched two exciting new products specifically for the Oil, Gas and Mining specialized market segments.

CFAO Group (www.cfao-automotive.com/en) has been providing transport solutions to the Oil, Gas and Mining market across Africa for a number of years and is now keen on leaving a mark on the Ugandan market too.

"Understanding the specific safety, health, security, risk requirements for each of these specialized market segments is where CFAO Motors makes a difference," says Tammy Hein, General Manager, CFAO Motors Uganda (**pictured**).

As such, the company is offering turnkey solutions for various applications including ROPS (Roll Over Protection Systems), where it provides standard and bespoke R.O.P.S systems to conform to main stream mining houses, oil and gas specifications.

With Front Protection systems CFAO Motors supplies and fits TJM airbags, compatible bull bar and sidebar protection systems.

It can also offer additional Under Body Protection for its VW range to provide extra protection in harsh conditions. Other great offers include

Upgraded Suspensions systems where CFAO offers Seikel 4x4 upgrades which convert the standard suspension configuration into a specification that has been tested on the daunting Paris-Dakar rally.

And in case there was ever a need to cross at least one metre deep waters, the company offers in snorkel fitment. Winch solutions, too, are offered to help recover vehicles stuck in harsh and muddy, black cotton soil applications.

Extra turnkey solutions from the company include: Safety - VW Caravelle benchmark in its class offering 3 point safety belts (all seats, head rests - all seats - all seats forward facing), High Ground Clearance (full diff protection), Full Independent suspension (providing a smoother, enhanced driving experience) and both Caravelle 4x4 and Amarok HSE have Air Bags, ABS, ESP.

Additionally, safety lighting is provided for with high mount LED lights for bonus high visibility requirements along with extra Roll Over Bars for pick-ups.

And for environmentally friendly vehicles, you can look no further than both the Caravelle 4x4 and the Amarok HSE, which are extremely fuel efficient offering 1000kms on a single tank of fuel or 12km per litre.

With lower fuel consumption (50% saving on competitors) a considerable saving is made in the carbon dioxide emissions the VW Caravelle and VW Amarok produce.

"All of the solutions we provide are fully warrantied and do not affect the warranty on the VW they are fitted to," says Tammy Hein.

She notes that CFAO also offers a complete suite of financial solutions either

directly or in corroboration with its financial partners. These financial solutions on/off balance sheet include full maintenance operating lease, financial leases and outright purchase.

"For medium to large projects additional finance options are negotiable," adds Hein.

AMAROK HSE SPECIFICATION



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- Electronic Diff Lock • KONI Suspensions • SEIKEL Under Protection Plates •
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WARRANTY: 3 YRS/100,000KMS (whichever comes first)



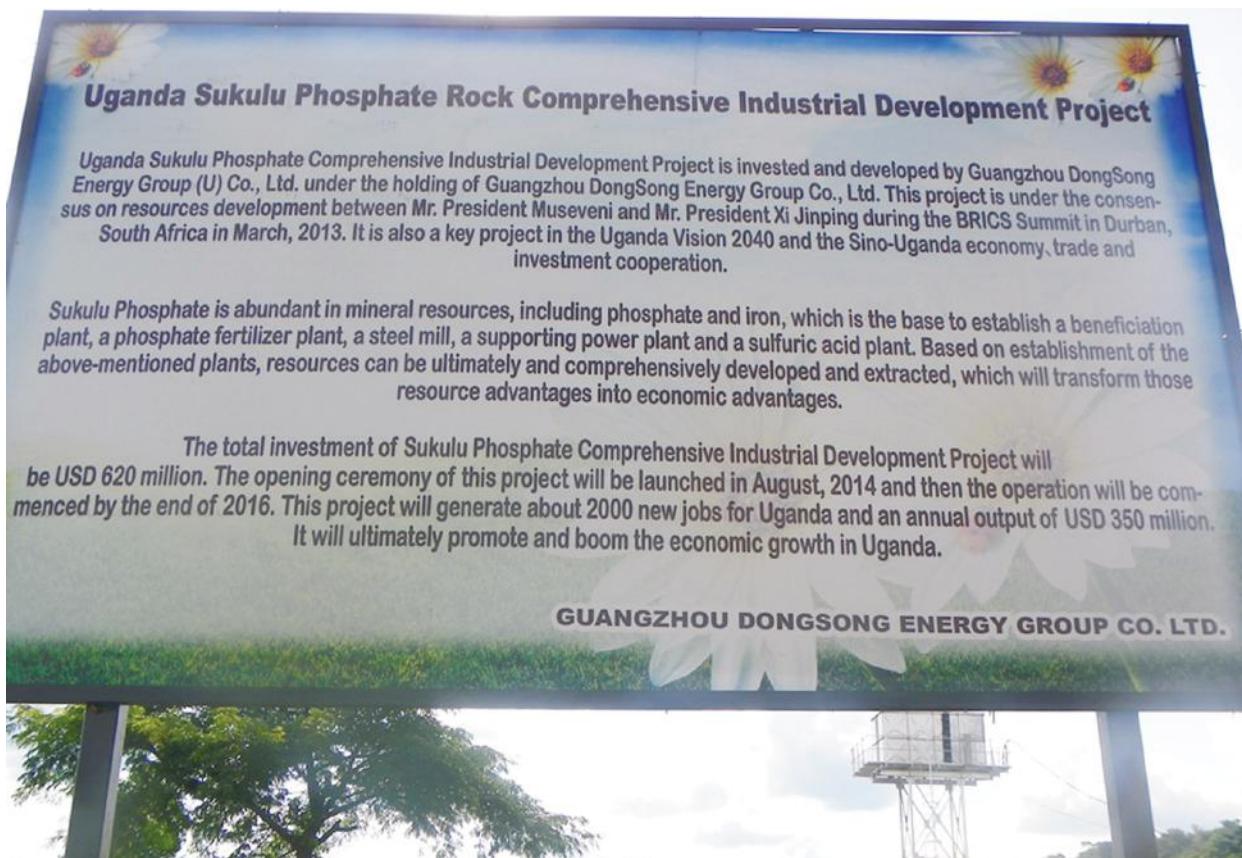
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Volkswagen. Das Auto.

Uganda looks to solve the land question



A notice at the Guangzhou Dongsong Energy Group office in Tororo

It looked like one small incident, which required an even smaller intervention. In Osukuru, an area in eastern Uganda, residents blocked activities that were supposed to clear the way for the development of a phosphate industry in the area because of land disputes.

The residents demanded that no activity in relation to the phosphate project in the Sukulu Hills was to continue before the land wrangles were resolved. The dispute surrounded the demarcation of land boundaries.

Like many other mining projects, the phosphate plant faced a major hurdle. Would it go ahead or not?

Uganda's mining industry is filled with examples of how potentially lucrative mining projects ran into trouble with mining communities over land wrangles.

To get the phosphate project to operate at full potential, Chinese investors have already promised to invest up to \$560m, an amount that could change the fortune of an area that hosts some of the poorest Ugandans.

The Chinese firm Guangzhou Dongsong Energy Group Co. Limited intends to produce 300,000 tonnes of phosphate fertilisers and 300,000 tonnes of steel annually.

The company said it would also establish a sulfuric acid plant with a capacity of 200,000 tonnes annually.

The firm also plans to build a 5MW power plant in the area. Worried that the people of Osukuru might hinder a crucial development project of this size, President Yoweri Museveni intervened and sent a stern warning to those who threatened any prospects from the mine.

"Very soon you will hear a war between me and some of these leaders. This is a big project that will change the area and contribute a lot to the economy of Uganda as a whole," a State House press statement quotes the President cautioning the people of Tororo.

While the Osukuru project might be lucky to attract the attention of President Museveni, other projects elsewhere might not be as fortunate; something that calls for a more accommodative law on land.

In the rich mineral area of Karamoja, land is becoming an issue too. Discussing the land issue in Karamoja, Emmanuel Tebanyang, the mobilisation and networking specialist for the Karamoja Development Forum, said that

"We are aware that over 61 per cent of Karamoja land has been licensed under concessions to mining, exploration and location companies. This is in addition to over 20 per cent of land (allegedly) owned by UWA and NFA. This leaves the over 1.3 million people with no or little land."

He explained that Karamoja region entirely depends on pastoral activities, a practice which demands vast land and pastures.

"If the over 130 concessions licensed for Karamoja take effect today, we believe the Karimojong may have to be shifted to another region in Uganda or beyond," Tebanyang warned.

His assertions could not be independently verified, but he said that "there is a need for public consultation, and involvement in all necessary decision making processes towards exploring and extracting the minerals underneath Karamoja land."

The answer to Uganda's land question might seem elusive but steps to create some semblance of order are slowly gathering pace, especially with the challenges the mining industry faces.

At a Uganda Chamber of Mines and Petroleum retreat with President Yoweri Museveni at State House in December last year, the investors pointed to land acquisition for the exploration of minerals as one of their main challenges.

With investors still wary of pumping millions of dollars into investment projects because of the uncertainty surrounding land ownership, government is starting to stamp its authority on land use.

With investors still wary of pumping millions of dollars into investment projects because of the uncertainty surrounding land ownership, government is starting to stamp its authority on land use

National Land Policy

While making a presentation at the World Bank conference on land and poverty in Washington DC in March, Honourable Daudi Migereko, the minister of Lands, Housing and Urban Development, said "Uganda like other countries has oil and mineral deposits of commercial value. The discovery of oil and minerals has led to an upsurge in the mining sector, which has brought about land tenure insecurity to the indigenous communities." He added that "This requires urgent and critical attention such that technical support and funding is secured for areas likely to be affected by the mining industry."

To deal with the land question, Migereko listed a number of things that the government is working on to solve the situation. This includes putting in place an Implementation

Action Plan for the next three years to see to it that the National Land Policy is respected.

He said that a unit will be created that will come up with measures that will, among other interventions, reduce land disputes and conflicts. There will also be other legal and regulatory reforms to ease the implementation of the land policy.

At least \$77 million is needed to finance this implementation, Migereko said.

For good measure, government had already received \$100 million from the World Bank for a competitiveness and enterprise project, of which \$54 million was allocated to solve different land issues for the next 10 years.

Some of Uganda's development partners have come in to deal with the funding needed to see to it that this implementation is successful. USAID, GIZ, the Ford Foundation are some of the institutions that have come in to offer financial help.

"The partnerships entered into with some of these agencies has been instrumental in supporting change in the land sector from bureaucratic and non-responsive institutions to a more efficient, effective and with focus on client needs. One of the visible successes is the new computerized land information system, which has enhanced storage and retrieval capabilities of the land registry," Migereko said. He, however, reiterated that government still needs to mobilize more resources to ensure that the implementation of the land policy goes according to plan.

These are plans that will need to be resolved quickly. Investors continue to look at other countries like Tanzania and Kenya, which are also looking at becoming mining power houses for the region.

Uganda might need to move fast and resolve the land issue before investors decide to move their capital elsewhere.

“Sustainable development is key to any business”

ISO 26000 standard calls for better Corporate Social Responsibility

With the ISO 26000 standard, there are no requirements to be audited and resulting certificates issued to prove conformity. All an organization – whether public or private – has to do is to voluntarily follow several guidelines to ensure social responsibility and sustainable development. It's “core subjects” include: organisational governance, human rights, labour practices, the environment, fair operating

practices, consumer issues, community involvement and development.

In this interview, *Sibille Francois, an international expert on social responsibility*, working for the French National Standard Body (**AFNOR**) with the International Standardization Organization (**ISO**), explains why certification is not necessary as far as this standard is concerned, as he details its significance in the global socio-economic



Sibille Francois, international expert on social responsibility

roadmap:

Why isn't ISO 26000 compulsory seeing that it makes very strong points for not only the community and employees but company too?

This came up quite a bit when the standard was being developed. But as experts in Social Responsibility, we did not want this to become another trade barrier. That is why it took the form of guidelines which are voluntary. The implementation of this standard will remain only a volunteer approach.

Standards are meant help improve the quality of a product or service, and the requisite processes.

In the event that you are ISO 26000 certified, will the host community automatically trust you? Maybe; maybe not. The certification isn't enough. It's upon the company to prove to the community that it's responsible. Only your stakeholders can say “This organization is responsible – it can take care of itself and a little of us.”

BP was involved in the biggest oil spill a few years ago. How would incorporating sustainable development have helped BP's cause?

Mining or petroleum companies like BP have to appreciate that their operations impact not only on the markets but on their employees, local communities

and the environment too, in areas within which they operate. This doesn't stop here but extends to other places where their supplies come from and even where their products are sold – because in the end, they have to be treated or disposed somewhere.

These organizations need to shift from the mindset of merely giving away money in CSR projects and compensation and instead focus on reducing any direct or indirect negative impacts on people and environment.

I am not saying companies must give up CSR, but they can do more. They must look at themselves in the mirror and seek to improve their risk factors and behavior, treat their employees better and take better care of their environment.

How would this generally be to the benefit of a company? For instant, if it consciously applies ISO 26000 in its operations, but a spill, like in BP's case happens, do you think the society will be more forgiving than say if the company hadn't bothered with this standard?

I believe so. For example, during the revolution in Tunisia, three or so years ago, some factories were totally destroyed by the rioters while others were protected.

This was simply because the management of the protected factories was more reliable since they had treated their workers and community better, unlike the managers of the factories that destroyed.



Cleaning up oil spills left by BP in the Gulf of Mexico. Such accidents are limited when a company is socially responsible

Sometimes companies think it will cost a lot to prevent something bad, yet the costs after say an environmental disaster can be much, much more. I heard that BP could have spent maybe \$10,000 to \$25,000 just to set up an additional safety device for instance.

Companies need to improve their behavior and forget about costs. Committing to these standards does not need any budget sometimes. The company can even increase its intangible assets.

Altering the environment is a given as far as mining and petroleum operations are concerned, so wouldn't it be wise for companies in these industries to treat ISO 26000 as a must have?

Recently, a CEO of a big company said, "If we don't take care of our stakeholders, tomorrow, we won't exist anymore." Generally, if you don't speak with the local communities before, during and after say, a mining project; if you don't take care of their interests and try to find proper solutions for them, you will face huge problems during your operations.

Farmers may have to acquire new skills to earn them a living, once a mining project sets off in their midst. So for the mining company to responsibly co-exist alongside the community, they need to not only build a new clinic but also a training centre to impart new skills in both the young and adults to help them survive in the new times.

Some international mining and oil companies usually deny locals jobs and market for their foodstuffs claiming they lack the necessary skills and quality respectively. So are you advising that it is in their best interest to train locals on best practices?

Yeah. When you invest in another country, it's not affordable to rely on your country of origin for labor. If your technology is alien to the local people, it's important that you train them on its usage. ISO 26000 notes that since the foreign firm will leave in future, it's best it leaves the locals self-reliant which is more sustainable than donating freebies to them. Procuring quality products locally is essential since business should be enables of society growth as a whole.

How does a complying company quantify these gains from ISO 26000?

From the financial point of view, there are several ways to assess the standard's impact and show a very positive return on investment. The first way is to use risk management tools – because a risk that you prevent is a cost that you decrease. The risks have to be assessed; because you may fail to manage anything. Risk management departments today are able to measure the level of risk into dollars.

ISO 26000 just proposed to organizations to enlarge the scope of the risks and take into account some risks that have been ignored before. For instance the risk posed by disgruntled local people like those in Tunisia who destroyed factories whose methods they disliked.

The other way you can measure the standard's benefits is through intangible assets. Four years ago in South Africa, listed companies were asked to publish an integrated financial report with environmental and social issues tackled too – not only through KPIs but also through

policies and strategies. It means that today's financial report must mention how you took into account your stakeholders interests. The stakeholders here are not only the shareholders and clients but also the employees, the suppliers, the local communities and so on.

In 2013, the International Integrated Reporting Council (IIRC) published an international framework on integrated financial reporting. This year, in the USA, they have started to develop a tool to measure the link between intangible assets and financial reporting.

This is why between 2000 and 2002 USA financial organizations, asked for a Triple Bottom-line accounting framework (i.e. financial/economic, social and environmental bottom-line); just to measure the other risk factors – and to measure them with dollars behind them; not just with good intentions (because this is not enough).

Some companies want to grow profits every year. How is this balanced if cash goes elsewhere to 'appease' a community?



Francois, consults with Uganda's ISO 26000 coordinators including UNBS Dr Safina Namugga (2nd L)

Any company managers can approve of ISO 26000 once they appreciate the payback benefits. This is possible if from the onset one measures and transfers the intangible assets into dollars. If you don't measure it however, the shareholders may think, its only good intentions. Companies that have adopted this are quite impressed by the results because the impact is direct.

A Tunisian bank CEO said: "I have a choice to lend money to someone and earn a lot in interest or lend it to another person but earn less money – though with the assurance that the latter will be able to return my cash because he is paying taxes, has health insurance for workers and so on while maintain low risk in his business unlike the first one."

"Today, the first one may be able to service my loan, but with operational risk he may fail to pay. So I will go with the organization that will be there tomorrow."

Does subscribing to the ISO 26000 guarantee a company a longer, brighter future?

The question is "How possible is it, at the level of each big organization to adapt to this new model?" We will always have companies operating in a wild way and make huge profits but on a global scale it's

not sustainable, so we have to invent solutions; and not only for today but for the future.

We know in a few years, we will have to live in a different way – but this new world, we will have to build it ourselves; finding and creating social, technical innovations to suit it.

Briefly, sustainable development is defined as living for not only today but also leaving enough for tomorrow. What is the best way to develop Uganda's petroleum deposits vis-à-vis the beautiful flora and fauna in the national parks, which host these deposits?

In 1987, what we call sustainable development was a responsibility of states and governments and not private firms. Now all profit driven private oil company can contribute to sustainable development (or social responsibility). The question is, how can they contribute? I cannot answer for them. They need to consider different ways to operate, the impact to the local community and the country's future. If one takes it based on short-term benefits, I am certain it won't be the appropriate decision globally.

What would you tell Uganda companies who remain indifferent towards this standard?

Dr Safina Namugga,

UNBS official: I would like to encourage Ugandan companies to embrace the implementation of this standard. What they are doing now is more of public relations (social marketing wanting to be associated with a good cause) while disregarding the pertinent societal issues in the process. Let us reexamine our practices and see whether we are really fair to the people consuming our products holistically.

Let us reconsider our impacts on society in terms of the actions and decisions that we take. Case in point, many of the organizations that we know as "Socially responsible" are discharging a lot of waste into the environment. If no tangible steps are taken, Lake Victoria for one could end up with the same fate as the Dead Sea's.

Can we use renewable energy and better technology to reduce the amount of energy that we need? Have we examined recycling? Is it possible to tap rain water and put it to good use rather than merely depleting the little that we have?

In terms of labour issues, how do these employers look at these issues concerning the vulnerable groups such as pregnant women, children or the disabled? Many of us work a week or two after delivery; many of us work while heavily

pregnant and some have been known to deliver at their work places while on duty.

Some mining companies go into communities and leave the locals as poor as they found them or even poorer. This is unacceptable.

Where does ISO/UNBS get the funding to impact this training to private firms?

GIZ has funded some Uganda projects before. However, the funding can never be enough. The money needed for this kind of training is between zero and the entire budget of a company. The Uganda National Bureau of Standards (UNBS) can provide trainings here and there but not entirely what the company may need. Once the initial introductory training has been done about say what ISO 26000 is all about, it becomes the decision of the company to develop a budget to communicate its strong points and to develop another to improve itself on its weak points. So these measures can guide you on when investing in say new machinery; and you decide on regular machinery or machinery that is environmentally and socially friendly. It's the company's decision in the long run to be responsible. The question for the companies should be whether they are willing to improve or not. You cannot manage if you have no idea on how you operate today.

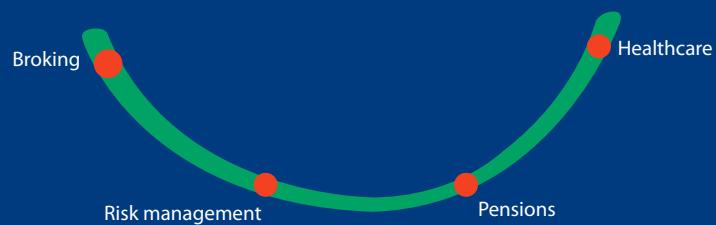
What are the major challenges to ISO 26000?

We had more challenges with commitment than budget constraints. Committing management to this standard is one very big test. Some say they will follow through with the standard, but they never do. You come back a couple of months later, and there is no real progress. So you have to push them a little bit more. Others are still in the mindset of compensation rather than impact reduction; so they have to be kept on track and so on.



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Eastern Uganda mining shows promise

A four-day excursion to the eastern and north eastern Uganda districts of Bugiri, Busia, Tororo, Mbale, Nakapiripiriti and Moroto was a great eye opener to the Uganda Chamber of Mines and Petroleum (UCMP). The mid-May trip led by Mr. Gabriel Data, a senior geologist, with the Department of Geological Survey & Mines (DGSM) was organized by the UCMP to help its members explore business opportunities in the fast improving mining industry in that part of the country. This followed similar trips to the west and south west Uganda mining areas and the oil rich Albertine Graben last year.

The areas visited included Bude artisanal gold workings in Bugiri, Greenstone Resources' Tiira Gold Mine in Busitema, the Gulf Industries' Namekara vermiculite mine in Mbale and Magnet Contruction's Kaserem Pozzolana workings.

Other places were the Guangzhou Dongsong Energy's Sukulu phosphates project in Tororo, Muruita and Rupa artisanal gold mining in Nakapiripiriti and Moroto respectively, the marble mining sites in Moroto belonging to Lokwang Peter and DAO plus Jan Mangal's gold mine in Nakabat, Moroto.

Achelis Uganda and Bornemann backed the trip that was marked a success by participants. Below are some of the highlights:

Greenstone Resources Stirs Busia Community

A limited skills pool from which to draw expert mining engineers and geologists may be a frustrating impediment to Greenstone Resources Ltd (GRL) for now, but the students at Busitema University are not complaining.

Greenstone, which took over the management of Busitema Mining Company in early 2013, intends to have Busitema University's geology and mining engineering students interning at its mine in Tiira village soon in bid to address this skills' gap. This is just one of the many benefits the community is getting from the company. Greenstone is already employing 160 workers (both casual and permanent) while it also hires trucks from Tiira and Busia to transport bulky timber, murram, sand, lime in the process significantly boosting the local economy.

In CSR activities the company has carried out since 2013, clean water has been provided to the host community of Tiira, some local kids have had their school fees paid and health centres have gotten free drugs. The local football team has also received financial backing from the company and it has also donated land the sub county to erect a market and mill.

It helps that Greenstone has also focused on building a positive relationship with the community, as this has ensured a supportive community willing to see it grow.

"We started by building and improving the relationship between GRL with the sub country leadership and the community; which has since significantly gotten better," says Nimit Patel, the owner and managing director of the company, "We mutually agreed to settle all outstanding financial agreements made by the previous mine owners regarding land, crops etc."



Nimit Patel (3rd L) poses with UCMP visiting members at Greenstone Resources, Tiira



Nimit Patel (L) chats with Spiro Tugume (C) and Nielson Stewart, Mine Manager, Greenstone Resources, Tiira

Mining won't alter Karamojong pastoral thinking



Simon Peter Nangiro at the DAO marble site in Rupa, Moroto

Livestock will always be a mainstay for the Karamojong no matter the level of modernity in the region. "Everything about us revolves around our livestock; be it our songs, our names... our general way of life. Weddings, cleansings or any other rituals require livestock to be successful," says Simon Peter Nangiro, chairman of the Karamoja Miners Association, a locally based civil society organization looking out for the community's interests amidst the growing mining industry. So while he acknowledges that mining may have some effect on the region's socio-economic outlook, he is certain it will not dissuade the locals from treasuring their livestock.

"It will take many years to change us from the cultural way of doing things," says Nangiro.

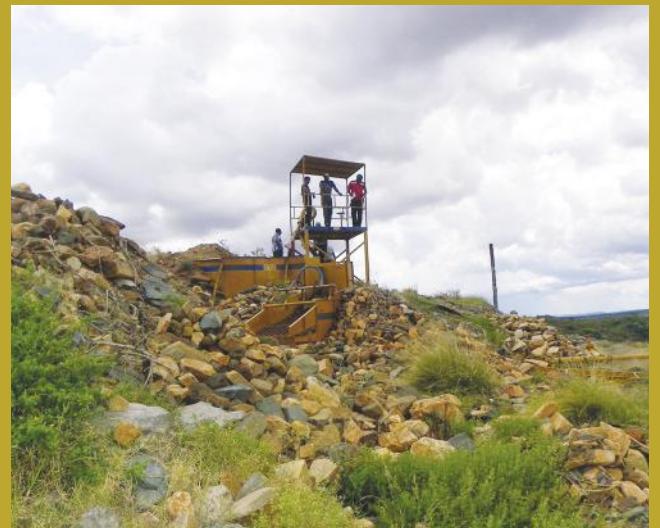
The peoples of Karamoja, in north eastern Uganda, traditionally survive largely through a combination of pastoralism, agro-pastoralism, livestock herding, and opportunistic agriculture to maximize the unfavorable environmental

conditions and low annual rainfall.

But with the region blessed with an array of mineral riches like gold and marble, mining has become another option through which to earn a living for the Karamojong. It's mainly artisanal mining though, while the few exploration and mining firms have also employed a number of locals in their operations.

"A lot of us struggle during dry seasons so finding work in mining and maybe value addition factories in future will help stabilize household income," notes Nangiro, "But with these earnings, we will continue investing in livestock because this grants us cultural belonging."

For all parties involved to benefit though, it's important the mining legislation is explained in the local dialects and the people's rights respected, he adds. Nangiro also wants to see companies like DAO Uganda Ltd which mines marble dimension stones in Rata village, Moroto, fulfilling their CSR pledges like putting up health centres.



Jan Mangal's stalled machinery in Nakibat, Moroto

Jan Mangal works stall

Jan Mangal Uganda Ltd, a Ugandan subsidiary of an Indian jewelry company, has put its gold mining activities in Rupa sub-county, Moroto district, on hold as its ailing owner, Jashu Bhai Soni, seeks medical attention back home in India.

"We have not been in operation since December 2013 because Papa is sick and he is in India now. So there is no work," says Laxman Kunwar, the Site Manager, at Jan Mangal

The company has been operating near the communities of Nakiloro and Nakibat in Rupa, Motoro, along the Kenyan border since mid-2012. It is said to have arrived complete with excavators and other mining equipment without an exploration or mining license then. Its arrival caught everyone by surprise and it was after the locals sought explanation from higher authorities that Jan Mangal engaged in long negotiations with government and finally secured an exploration license.

It has not all gone to plan though. After getting between some gold on a monthly basis, Jan Mangal struggled to keep up, always frustratingly coming up short.

"We initially recovered between 25 and 40 grams and only got 57 grams once but after we struggled to get anything out of the ground," says Laxman.

Gabriel Data, a senior geologist, at the Department of Geological Survey and Mines, blames Jan Mangal's failure to carry out exploration for its current predicament.

"You are hindered by not knowing exactly where the resource is. You should have initially done proper geological investigation; map the ore, characterize it, know how much the deposit is and how long it would last etc. This helps you plan to plan the size of the operation," Data explained to Laxman.

Laxman says he remains in the dark about the results of an exploration study carried out by a geologist from Tanzania.

Gold: Bude kids want a share too

For Ibrahim, a 9 year old, Primary 3 pupil at Nsango Primary School, in Namayingo district, eastern Uganda, digging through the brown soils in search of gold in his village is the pastime of choice when school is in recess for boys his age. For a lucky break can go a long way in supplementing his parents' income in the poverty stricken community. ,

"Our soils are not giving us as much as they used to and hence food shortages are common making gold mining a viable option. Parents cannot have their kids relaxed at home during the holiday yet they are struggling to feed, educate and clothe them. So everyone participates; even the kids," says Ali Matambire, a local council official in Bwolya Parish in Bude.

Artisanal gold mining is widespread in Bude village, Budhaya Sub County, Bugiri district, Ibrahim's home village. However, like all rudimentary mining activities, there is a lot of environmental degradation and unsafe mining methods which have resulted in occasional deaths in poorly dug pits.

Matambire says they are aware that their artisanal mining activities are not exactly legal, but because of the circumstances, they have no choice. Most of the locals digging and washing the soils are hired hands



Ibrahim, Bude gold mining

with whatever gold is realized handed over to the landowner. It's later sold to traders who regularly visit the village.

The 'gold rush' started only 5 years after some people from Tiira, Busia came to Bude to study the area where Roraima Mining Company (which was based in Busia then) was extracting its soils from in Bugiri. It's this that convinced the locals in Bude to try their luck too with the aid of their Busia visitors.

Matambire hopes that once a large mining company comes in to engage in more specialized mining (as has been rumored) the village can benefit fully from its resource.

"We need our own primary school. Nsango Primary School alone is 3km away in neighbouring Namayingo district," he says. However, his major worry is whether they will get a fair deal from whatever companies come through, seeing that they do not have any clue about Uganda's mining laws.

Marble dealer bemoans market prices



Lokwang Peter (Top 2nd L) makes a point at his marble site in Rupa, Moroto

Lokwang Peter was getting increasingly disillusioned about his marble mining project in Rupa, near Moroto Town in Karamoja until a recent agreement with a new dealer, that should guarantee him a slight profit.

"The price offered for the marble was really low. I was getting Shs70,000 per ton after spending Shs80,000 on transport. This wasn't viable," he says.

Lokwang, is the Executive Director of Lokwang Group and holds two Location Licenses (32 hectares) mining marble and limestone.

His main market is further south from his site, 200km to 445km away, in the towns of Mukono, Jinja Mbale and Tororo; hence the heavy costs on transport. Lokwang also pays Shs60,000 for every 3 to 4 ton truck filled of marble to his workers. This plus the loading fees and transport costs are his major expenditures.

Nakapiripiriti mining raises food, security concerns

A rush to cash in on their natural mineral resources has dissuaded many in Nakapiripiriti from growing foodstuffs; a trend that is worrying officials. According to Ilukol Jobs Lomenen, the principal assistant secretary, Nakapiripiriti District, the town and its environs has been abandoned with most people relocating to Kanan Camp in Utut village, Moruuta Sub County.

"We have tried to sensitize them about food security but we are not getting through to them. We tell them that regular gold finds cannot be guaranteed hence the need for at least every household to have some members continuing with the

cultivating as others mine," notes Lomenen.

The crowded camp, that bears the look of a slum in an urban centre, has also seen a rise in criminal activity, prostitution and child labour, where children are abandoning school to join the gold rush. Sanitation too is poor with water shortages rife and pit latrines lacking. Lomenen says at one point, a mugful of soil suspected to contain gold was going for a substantial Shs300,000.

Both DGSM's senior geologist, Gabriel Data and Catherine Wabomba, an official with the Uganda Chamber of Mines and Petroleum, suggested to

Lomenen that training on better mining methods plus safety, health and environment standards would help better the situation in Muirita.

"There is need for us to work together with the locals. When we come around to sensitize them and inform them of potential investors, they assume we are grabbers," Data says.

UPDF's Lt Edward Bariyendera, the area's Civil Military Coordinator, who liaises between the national army and the civilian population, however, believes that the community is slowly getting used to the mining lifestyle.



The Kanan camp, Utut village, Muruuta in Nakapiripiriti

Uganda Sukulu Phosphate Rock Comprehensive Industrial Development Project

Uganda Sukulu Phosphate Rock Comprehensive Industrial Development Project is invested and developed by Guangzhou Dongsong Energy Group Co., Ltd under the holding of Guangzhou Dongsong Energy Group Co., Ltd. This project is under the cooperation on resource development between Mr. President Museveni of Uganda and Mr. Li Keqiang during the BRICS Summit in Durban, South Africa in March, 2013. It is also a key project in the Uganda Vision 2040 and the East African economy. Both side and investment cooperation.

Sukulu Phosphate is abundant in mineral resources, including phosphate and iron, which is the base to establish a beneficiation plant, a phosphate fertilizer plant, a steel mill, a sulfuric acid plant and a sulfuric acid plant. Based on re-investment of the above-mentioned plants, resources can be ultimately and comprehensively developed and extracted, which will transform those resource advantages into economic advantages.

The total investment of Sukulu Phosphate Comprehensive Industrial Development Project will be USD 630 million. The opening ceremony of this project will be launched in August, 2014 and the operation will be commenced by the end of 2016. This aspect will generate about 2300 new jobs for Uganda and an annual output of USD 350 million. It will ultimately promote and boom the economic growth in Uganda.

GUANGZHOU DONGSONG ENERGY GROUP CO. LTD.

Aerial View of Carbonatite Comprehensive Industrial Development Project in Sukulu, Uganda

The aerial view shows a large industrial complex with various buildings, including a phosphate fertilizer plant, a sulfuric acid plant, and a steel mill. The complex is situated in a rural area with hills in the background.

Sukulu phosphates eyes August start

Guangzhou Dongsong Energy Group of China is hoping to commence production at its Sukulu Phosphates project in Tororo, at least by August 2014, if a mining license is granted. Gibran Begumya, the company's area local manager, says Phase I of the exploration license was already done with a technical brief from the geologists awaited.

The project estimated at US\$560m will exploit the huge phosphate deposits at Tororo.

Guangzhou Dongsong Energy Group plans to produce 300,000 tons of phosphates fertilizers among other products. The company also pledged to establish a sulfuric acid plant and also build a 5MW power plant in the area.

Eastern Uganda miners decry inadequate infrastructure



Henson Mambo (L), leads the UCMP members on a tour of the Namakera vermiculite project

Dilapidated roads and inadequate or nonexistent electricity supply are some of the major hurdles hampering the growth of mining in Eastern Uganda, a recent trip to the region by the Uganda Chamber of Mines and Petroleum has revealed.

"We try to soldier on with the little electricity that can be garnered. Otherwise like you will notice now, we are not running because once again the power supply is off. We are currently suffering a 60% electricity downturn," says Henson Mambo, the Country Manager, Gulf Resources, in Namakera, Tororo. Gulf Resources is mining vermiculite at Namakera – one of the largest deposits in the world.

But adequately exploiting the deposit will depend on at least a dedicated line of 1MW to the plant.

Greenstone Resources, at Busitema too has similar electricity shortages; experiencing 44% downturn or worse on power supply. At some point, the firm had to do without national grid electricity supply for three months. Processing at least 100 tonnes per day of ore, the gold mining company, has to rely a lot on a generator for now; shooting its electricity costs through the roof. At least Shs40m is spent per month on electricity bills.

However, Nimit Patel, the owner and managing director of the company notes with relief that these issues haven't prevented Greenstone Resources (and its partners) from completing the first phase of exploration. Two more phases have to be completed though; and only when the finances are found.

Further north to Karamoja, the electricity problem is even worse since the only available power in the area cannot support commercial activities.

"I only sell unprocessed minerals currently; hence electricity has not been a challenge yet. But as we grow and the need to add value materializes, we won't have enough electricity. Karamoja needs three-phase electric power to support an industries and factories," says Lokwang Peter, Executive Director, Lokwang Group, which holds a Location License in Moroto, mining marble and limestone.

A cement factory which has been planned in the Karamoja region to exploit the abundant marble and limestone resources remains a pipedream without the electricity.



Mambo makes a point during the tour of the Namakera vermiculite plant

State role

The government of Uganda is obligated to provide electricity and other amenities to ease the production processes for such projects which have the potential

to trigger off significant economic transformation.

Recently, the state through its implementing agency Uganda Electricity Transmission Company Limited (UETCL) said it was to

construct a 160-kilometre power line in Karamoja.

The Islamic Development Bank offered Uganda \$80.6 million to implement the project that will see the power line will traverse the districts of Soroti from the termination point at Opuyo substation, through Amuria, Katakwi to Moroto.

Under the project, a 132/33kV-50MVA substation will be constructed at Katiketile to step down supply and distribution lines constructed to 26 villages in the Karamoja region under the rural electrification programme. Beneficiaries of this power will be Moroto Town, Katiketile and its environs plus proposed mineral beneficiation projects.

"Electricity supply to the region will attract investors interested in mining different minerals and precious stones like gold, silver, copper, iron, titanium, manganese, niobium, tantalite and chrome," reads a UETCL statement.

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The discovery of oil in Uganda in 2006 may have excited all and sundry, but for industry insiders the unearthing of bentonite in Rukungiri, south western Uganda only two years later was equally important. For, bentonite is a key component in the oil well drilling process, where it serves several purposes.

A member of the Smectite clay family, bentonite, is most commonly known for its use as a major component of drilling mud, particularly for oil wells, but is also widely used as an additive for viscosity and filtration control. When exposed to water, bentonite, characteristic of all clays, swells considerably, making it ideal for protecting subterranean formations from invasion by the other drilling fluids making up the mud by providing a thixotropic effect. However, it is mainly used as circulation mud in rotary drilling systems. Bentonite's chief purpose as a drilling mud is to lubricate and to cool the cutting bits, to carry away cut rock fragments, and to act as a seal against the escape of gas from the bore hole. Other related functions of such bentonite based fluids are to prevent the hole from blowing out, as well as, to condition the wall of the drill hole to prevent caving-in.

Always a geology enthusiast despite lacking any formal training in the profession, Prosper Ndyabahika's attention was drawn to a strange clay formation when he was attending to his tree plantation in Rukungiri District around 2008.

Samples were collected and sent to, first the Department of Geological Survey and Mines (DGSM) in Entebbe and later to Tanzania's Southern and Eastern Mineral Center (SEAMIC) for identification. The formation was identified as bentonite and an ambitious exploration programme was immediately mounted by the DGSM, whose earlier efforts to find the mineral across the country had proved frustratingly unsuccessful before Ndyabahika's chance discovery.

"GTK Finland and other experts from Mozambique and South Africa have also assessed the deposit that was found to extend for more than 5sqkm from Burama to Ntungwa. So far, 5.2 million tonnes of the ore have been quantified on only 2 acres of the evaluated area," says Ndyabahika.



Bentonite Leads Beneficiation Call

Mineral of 1000 uses shows a lot of promise

After assessment, a feasibility study was undertaken and a plant was installed. This Raymond plant has an installed capacity of 5 tons per hour, producing calcium bentonite. At least 1000 tons are extracted per month; with the low capacity due to a lack of financial capacity to invest in heavy machinery like excavators, driers and dump trucks.

Considered to be a mineral of a thousand uses, bentonite is also used in pelletizing, as a sealant in construction and civil engineering, environmental markets, and as an additive in a wide range of applications like in foods and beverages, agriculture (fertilizer, animal feed and pesticide), pharmaceuticals, cosmetics, detergents, paints, dyes and polishes, paper and ceramics among many others.

Now with a mining lease in the offing Ndyabahika's Uganda Bentonite Company is seeking financial backing and legislative support to embark on fully-fledged bentonite mining. His main worries at the moment are attracting funds to invest in heavy machinery, finding adequate and cheap electricity supply and having the Ishasha road improved to ease the transportation of delicate clay products from his plant plus attracting skilled labour.

Ndyabahika also thinks a state decree to compel all oil well drilling companies in Uganda to use locally sourced bentonite would go a long way in turning around his company's fortunes while guaranteeing Uganda abundant revenues.

"All we need to do is to purify the product

to the industry requirements. I have already done tests with Tullow, Heritage and Neptune in the past. A government decree to source bentonite locally would enable us embark on more research in the full knowledge that market is guaranteed. With the expertise at our disposal, we cannot fail to meet the specific needs of the petroleum industry once we are focused. The oil companies and government now know the product is here; so let us address their exact needs," he confidently declares.

At least for every kilometer drilled in the ground, a ton of bentonite is required. The mineral too is applicable in drilling of any other holes; say in water wells construction.

The pharmaceutical industry though should be the biggest market, notes Ndyabahika, seeing that bentonite is very vital in tablet manufacturing where it is used as an excipient and binder. Because of its strong water holding capacities, it is also used in anti-diarrhea medicines.

"Everyone will need medicinal drugs every now and then, so the pharmaceutical firms provide a ready market. With these large bentonite deposits, any drug manufacturer in Uganda is now assured of a cheap but important raw material," he says.

The foods and beverages industry, animal feeds, cosmetics and detergents industries are also major users of bentonite. Ndyabahika recalls with regret how a lack of capacity had forced him to reluctantly back away from a 20 ton per day order from Mukwano Group, the largest manufactures of foods and beverages and soaps and detergents in Uganda. So Mukwano continues to import its bentonite, since UBC can only mill about 5 tonnes per hour for 10 hours a day – with the product already booked by mainly animal feeds producers. UBC has also turned away a 2000 ton order by a dam constructing firm in Kenya in the recent past due to the aforementioned capacity challenges.

Hope

Following a Uganda Chamber of Mines and Petroleum organized mineral sector retreat in December 2013, at State House Entebbe, dubbed "*Building the Mineral Sector as an integral part of the Ugandan Economy – Value Addition*", President Yoweri Museveni pledged to

increase the focus of his government on mineral development. The state, he noted, was now in a position to plan better to harness Uganda's mineral wealth and value addition (mineral beneficiation) was absolutely crucial.

As such, key industrial minerals and to a smaller extent metallic ones too are to receive more government attention and support to ensure value addition is achieved. This support will not only include infrastructural boosts like electricity supply and an improved road network where the minerals are found, but also direct cash injections through the national budget. Uganda is also considering setting up a National Mineral Exploration and Mining Company.

For now though, particular minerals with the likeliest potential to set in motion an industrial revolution of sorts will be the priority. Bentonite is one such mineral. Fortunately, Ndyabahika's company, has made some notable progress as far as adding value is concerned, notes Nathan Wolukawu Wanda, a mining consultant at NPK Resources and advisor to UCMP on this project.

"UBC is already milling, screening and packing, albeit in small capacity; this is beneficiation," says Wolukawu, "Producing industrial minerals isn't that capital intensive hence with strategic support from the government of Uganda we can turn around projects, like the bentonite one, overnight."

Ndyabahika who has invested at least \$1.5m in the venture, says \$0.5m (in grants or soft loans) can go a long way in solving several of the machinery and water challenges besetting his project. With his plant located 17km from the national grid electricity lines, another \$9m to set up a 4MW power plant at the nearby River Rushaya will not only result in the saving of up to Shs1.2bn (\$0.5m) annually in power bills but will also boost the general economic outlook of the surrounding areas, which heavily depend on diesel generators and firewood for their energy needs. The company only needs 0.5MW of whatever power will be produced at the mini hydro power plant, whose prefeasibility study is complete already.

Currently, the bentonite and limestone factories are running on a combined 350KVA generators supplemented by solar and biomass energy (sawdust and coffee husks).

Beneficiation plans

The mineral beneficiation project to be arranged in a public-private partnership (PPP) model is still in the initial stages. Nathan Wolukawu says more data is being compiled to ascertain how various other mining firms are doing before seeking government support.

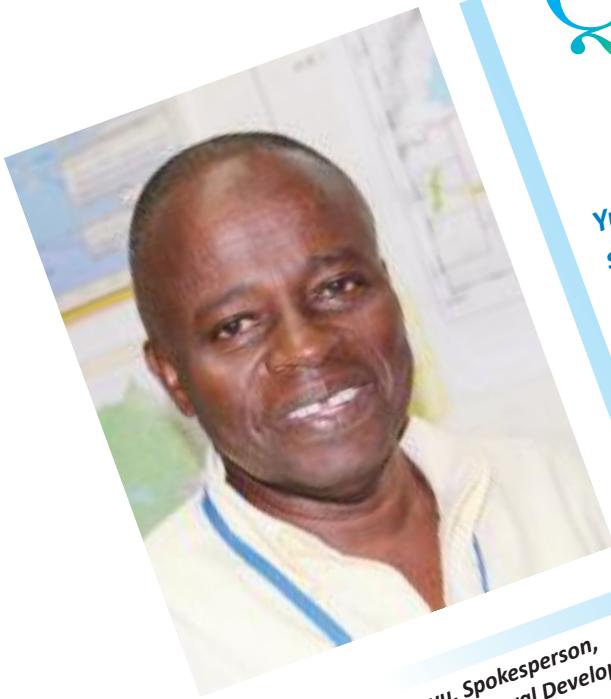
Already meetings with government officials through the Office of the Prime Minister (OPM) are ongoing to boost more advanced projects like the bentonite one. "Negotiations take time; so the earliest, we may get a financial nod could be in the next fiscal year, 2015/16," Wolukawu notes.

The seriousness of the state to see through these value addition plans was well demonstrated by the ban of iron ore exports amidst sustained protests from mining firms. The Uganda Investment Authority (UIA) has also been directed to allocate a combined 100 acres of land in its industrial parks across the country to the Uganda Chamber of Mines and Petroleum, which will be utilized by its members for value addition.

Wolukawu says a proposal for a grant to develop the sites (water and roads, electricity, structures) was made; and subsequently banks can grant members loans to set up plants and buy machinery.

"The 100 acres will not be in one place but will be scattered across the country, at various industrial parks owned by UIA. UCMP members can exploit that land nearest to their mining projects," he advises.

Q&A



**Yusuf Bukenya-Matovu, Spokesperson,
Ministry of Energy and Mineral Development**

Yusuf Bukenya Matovu is the spokesperson of the Ministry of Energy and Mineral Development. This is the ministry charged with overseeing the mining, petroleum and industries in Uganda. He shares his thoughts on the ministry's restructuring process, the communication strategy and other pertinent issues in this interview!

"Ministry restructuring will benefit everyone"

**The mining law is undergoing a review?
What are you looking at?**

We are looking at improving efficiency in terms of licensing, monitoring and evaluation. We are trying to address issues of people holding on to exploration and mining licenses without end. These are mere speculators because all they do is sit on the license as they await a financial backer; and usually with no luck. In the new legislation we will be stricter on revoking expired licenses and they will only be renewed if actual works are ongoing. Unproductive licenses cost the country revenue as they also deter new, more liquid investors from coming in.

But some delays on licenses are inevitable. For instance some mining firms have been deterred by locals from accessing the licensed land which they are occupying.

This will be taken care of by this increased efficiency in monitoring as we will be able to capture all the reasons why a license may not be performing and subsequently make a judgment on it. Otherwise a license should expire automatically unless someone shows due cause why it should be renewed.

Energy and minerals ministry to intensify monitoring, communication

We will make thorough reviews before renewing any licenses – because indeed some have genuine reasons why their licenses have stalled. The issues of small scale miners on a license also need to be adequately addressed. These host communities' needs ought to be addressed vis-à-vis the licensee's to create harmony and deter conflict.

How do you increase monitoring yet you don't enough human resource capacity in the Ministry?

We already have recruitment plans in place. Remember the Ministry of Energy and Mineral Development is being restructured and there are provisions to fill all the vacant posts.

Your officers are also poorly facilitated and therefore cannot carry out the monitoring well enough. How will you address this?

It's true our field officers are disabled. They don't have the means to effectively

execute their duties. There is no way you can get adequate information from say Karamoja when you are inquiring from the Department of Geological Survey and Mining in Entebbe; as is the case now. We requested government to grant us a bigger share of the non-tax revenue realized in mining projects, to create this capacity which will enable us meet these monitoring, evaluation and enforcement costs. In principle this request has been granted and we hope it happens soon.

How soon are these legal adjustments going to take effect?

I cannot give a particular date here; since the legislative process is quite lengthy; our hope though is that it happens as quickly as possible.

What else is the restructuring in your ministry going to address?

The ministry will soon have a composition that enables it to efficiently carry out its mandate. We currently have only one

directorate and five departments. In the new proposed structure though, we will have the subsectors of minerals, energy and petroleum each run by a directorate. Subsequently we will ensure that all these areas are proficiently staffed with qualified personnel.

How will extra directorates help the ministry's cause?

Without segregating activities, you run the risk of focusing on only a few areas and ignoring others. Energy, mining and petroleum all under one directorate can lack focus on particular activities. When segregated, issues of monitoring and evaluation become easy. Each directorate will have more focused and efficient oversight.

Eng Paul Mubiru, the Director, Energy and Minerals and also a Deputy Permanent Secretary is currently overloaded but these new measures should address these challenges.

So arguments that more attention has been paid to petroleum at the expense of mining are legitimate?

It's true we concentrated a lot more on oil and gas in the recent past, but it was inevitable. This being our first experience with oil, all our attention had to be channelled there to help us learn as much as possible about it. The mining industry on the other hand, is as old as Uganda's colonial history. However, that doesn't mean we will leave it behind; we are going to give it much more attention especially with the creation of more specific directorates. Remember the mining portfolio is quite expansive; and will last even longer than oil.

What lessons have you learned in trying to keep Ugandans well informed on such a contentious subject like oil amidst great expectations?

Naturally, petroleum has excited lots of people. This excitement has unfortunately given birth to lots of falsehoods about the sector traded by self-made experts. We also have detractors, hell bent on spoiling the show with their endless drivel about the industry. But because we foresaw this happening, government ensured its first communication strategy was around oil and gas.

Firstly, it was important to manage Ugandans' expectations by giving

them timely and accurate information. This is why we have held a number of workshops, done radio and TV talk shows, encouraged field visits and held upcountry meetings.

Having said that, this is a very progressive sector with new developments daily and we have to always stay abreast.

It's also important to note that this communication strategy came into effect way after a lot had happened in the industry. Our unprecedented success rate in oil discoveries left us playing catch-up as far as communication was concerned. But we have since caught up and we have things under control.

The Access to Information Act allows anybody to apply for whatever public information they need. So information on the petroleum and mining industries is readily available. And we will continue to improve accessibility

What are the major hurdles you are faced with as you try to get out the right message?

People are largely uninformed, and as is usually the case, they are willing to believe the negative as opposed to the positive publicity. Unfortunately, the commissioning of our communication strategy coincided with the outing of various corruption scandals like those in the Office of the Prime Minister. Hence the public was more distrusting of its government at the time we were trying to build confidence in the petroleum industry. Realigning the public to our thinking has as such proved a big challenge.

The low literacy levels countrywide have also not helped; with leaflets disseminating this information going largely unread. FM radio stations have tried to help here though; and slowly people's attitudes are changing.

When talking to the public we use examples of things they know, avoiding the tough terminologies. We have

also translated the Oil Policy into local languages. Our officers who engage with the local communities have to be legible in the local languages too.

Some stakeholders feel the information flow is not adequate enough and some vital is not communicated fast enough, to boost business.

That is a lazy way of looking at the issue. One shouldn't expect the ministry to put up a billboard as big as the City Square filled with information or a radio channel blaring non-stop about the sector. The Access to Information Act allows anybody to apply for whatever public information they need (so long as it's not classified).

However, we are trying to improve our communication strategy, so that what we release timely and beneficial info to all the players in the sector. An excellent Government-wide Communication Strategy was issued by the Office of the Prime Minister a while back. Communication officers like me are also recent appointees who are there to offer all kinds of information to whoever demands it. In a nutshell, this ministry has tried as much as possible to improve its communication portfolio.

How has the relationship with the UCMP helped the ministry carry out its mandate?

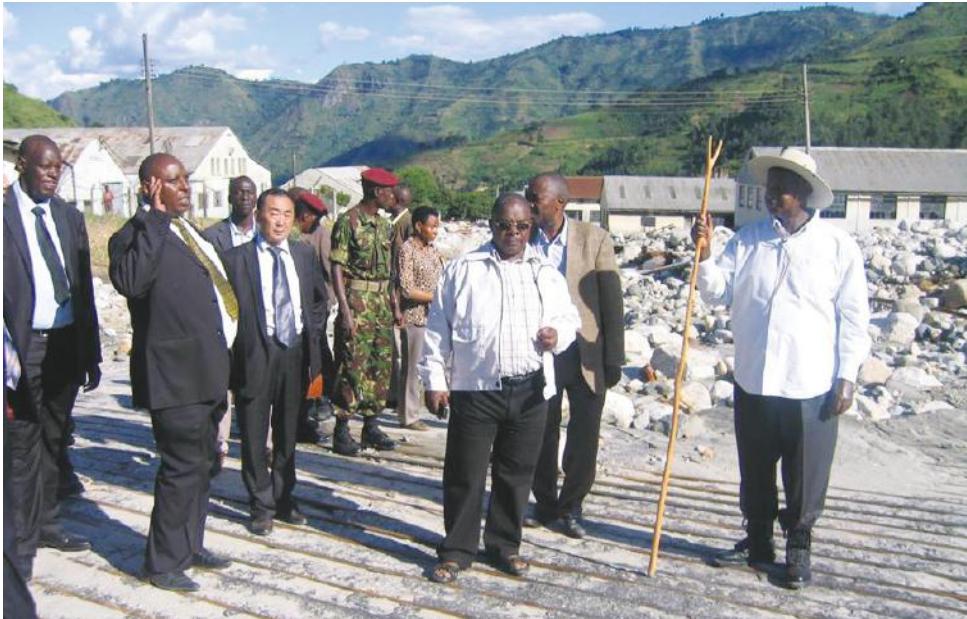
The Uganda Chamber of Mines and Petroleum serves as a linkage point between the government and the private sector. This has called for a symbiotic relationship between the Ministry and the Chamber – relying on government for special reasons while also delivering to us the private sector's concerns.

UCMP has since improved its performance and upped its relationship and linkage with the ministry.

As such, the UCMP is doing a good job in supplementing our efforts because it also caters for our stakeholders too like the miners and the community at large.

Of course, as a representative of the private sector, UCMP still struggles with appreciating how government works and therefore may get frustrated at the speed things are done our end. We need to appreciate that with the public sector, activities are guided by long existing laws which cannot change overnight.

Kwantampora, glows in Kilembe appointment



President Museveni and Works, State Minister John Byabagambi tour Kilembe after the May 2014 floods. Kwantampora (2nd L) explains what transpired

Born in Kilembe valley, in Kasese district, in 1970, Alex Kwantampora Binego is living his dream. Kwantampora, who as a small boy growing up in the mining capital of Uganda fantasized about walking in his miner father's footsteps, is now the Project Manager of the Chinese consortium charged with reviving copper production after a 32 year lull.

The exploration and mining geological expert has been charged by his contractor, Tibet-Hima, to oversee the technical and operational aspects of Kilembe Mines Ltd's revival process. To many who knew him, Kwantampora's appointment has not come as a surprise, seeing how much he has been involved in everything Kilembe.

"I have worked with all the prospecting and exploration companies in Kilembe, from 1991 to date, hence I have vast knowledge on the

potential of the mines," he says.

His childhood in the 1990s, gives him an added advantage, he believes, as it exposed him to the goings-on first hand. Through closure of the mine after the exit of the Canadian investors and a drop in copper prices globally, and through the care and maintenance program that was undertaken by government after 1982 to keep the mines in good condition, Kwantampora has been there. Now that he is at the helm of the revival, he can't wait to get down to work.

"I have been trying very much to see Kilembe back to its former glory so that my children can experience what

I did as a kid. We had a lovely childhood, playing all sorts of indoor and outdoor games in excellent facilities. But all this was lost. Fortunately, I have been blessed by getting a chance to partake in Kilembe's restoration," says Kwantampora.

His immediate tasks include ensuring that the concession agreement terms are fully implemented, exploration is done as per CRISCO standards and tailings are up graded and processed to feed Kasese Cobalt Company Ltd (KCCL) so that Cobalt is produced by early next year.

Kwantampora also has to ensure the mine rehabilitation starts in July, 2014 and the reconstruction of the mineral processing plant

"I feel I have a very close attachment to Kilembe that can never be broken. I will be the happiest man when I see the first tonne of copper out of here again"

(mill) besides overseeing the general project planning and management (adherence to safety health and environment standards, workers welfare, CSR schemes).

Other work will include implementation of a flood risk management plan with the aid of insurance firms.

In-house mentor

Because his father, Michael Binego, worked in Kilembe's geology department, Kwantampora was inspired to study geology and follow in his footsteps. Binego who joined the mining company in 1957 until his demise in 1992, was a senior officer, a foreman in charge of all the exploration drilling, both underground and surface.

He trained as a geological technical assistant at the Kilembe Mines Training School after his secondary school education, graduating in 1991 after completing the two year course.

The intense course was the best of its kind, way more practical and engaging than what was offered at Makerere University, the only university in Uganda then. When Makerere students visited Kilembe for field studies, it was Kwantampora and his schoolmates who showed him around.

The intense training at the company's school gave birth to high-end graduates skilled in not only in geological and survey methods, but also in mechanical and electrical techniques. To better the graduates' skills, they were sent abroad for further training in more advanced mines. Kwantampora says the same process of training locals will be revived under

Tibet-Hima.

"The intense hands-on two year course was very elaborate. We hope to strengthen it further under the new managers and have a good number of Ugandans employed in the company," he says.

After graduating as a geological technical assistant in 1991, he has joined the Department of Geological Survey and Mines, the mining technical arm of the Ministry of Energy and Mineral Development as a geologist. Subsequently, a government sponsorship to study a diploma in engineering geology and seismology in South Africa; set him off on a journey of knowledge gathering across the world that has seen him become one of the highest trained seismologist in Uganda.

Consultancy

Kwatampora's Mpora Geotech Consultancy, deals in geotechnical investigations and mining and exploration geology.

It was for his expertise that he was selected to provide technical advisory services to the Government of Uganda in the successful divesture of Kilembe Mines to Tibet-Hima, as part of the consortium of transaction advisors led by DLA Piper. The consortium also had Deloitte, Shem Bagaine Properties, Sebalu and Lule Company Advocates and Mott McDonalds.

Mining and exploration geology advice is what he offered in the advisory consortium; playing a big part in pushing through this deal right from 2010. He interacted with all the bidders; taking them around the mine and outside the exploration targets – giving them information equally and professionally and it's from this that they got the insight on the mines before putting in their bids.

His rich knowledge of the place and his part in the divesture process was enough to convince the winning bidders, Tibet-Hima to hire Kwatampora, to guide them through the teething problems. His excitement at being part of the revival process makes one think that he may even have offered his expertise to the Chinese investors for free.

"I feel I have a very close attachment to Kilembe Mines that can never be broken. I will be the happiest man when I see the first tonne of copper out of here again," says Kwatampora.

Being born and raised in Kilembe, he speaks the local language of the Bakonzo community; a big plus on his CV, as this should come in handy once Tibet-Hima embarks on negotiations with the locals as it seeks to endear itself to them. Fortunately for the new investors, their project manager is highly regarded in the community, which has even voted him as Kasese Municipality Speaker in the past, a position he still occupies.

Kwatampora, at a glance



Alex Kwatampora Z. Binego

Alex Kwatampora Z. Binego, the Project Manager – Tibet Hima Mining Co. Ltd, is an accomplished mining and engineering geologist. Born on December 26, 1970 at Kilembe Mines Hospital to Mr. and Mrs. Michael Binego, Kwatampora had his childhood education at Bulembia Primary School, just adjacent to the company offices, where he now seats.

Having pursued his initial secondary education at Nyakasura School in next door Kabarole, Kwatampora returned to Kasese's Rwenzori High School for his advanced level education. His father, Binego, who had been among the first indigenous Ugandans to rise into senior management, in 1965 as foreman in the Diamond Drill Department, had noticed Kwatampora's keen interest in the copper mining. He convinced his son to join him at Kilembe Mines Ltd during Kwatampora's S.6 vacation as a technical trainee in the Geology and Survey department.

With his father's reassurance, Kwatampora stayed at the mine and undertook a trainee's course and qualified as a Geological Technical Assistant Class I in 1992. Further training in seismology at the Department of Geological Surveys and Mines, Entebbe saw him become the first seismic station operators under Uganda National Seismological Network. He worked at DGSM intermittently until 2011.

A real son of his father, Kwatampora

served as a geological and geotechnical engineer, on the Bujagali Hydropower Project, under Salini Costruttori in 2007, just like his dad had carried out geotechnical investigative drilling projects for hydropower projects in the Kilembe environs. And again, just like his dad, a further geological training under Banff Resources Ltd of Canada in 1995, saw Kwatampora overseeing all exploration targets both underground and surface including the copper and cobalt bearing tailings dams, in Kilembe.

A scholarship at Pretoria University, in South Africa garnered him a Diploma in Engineering Geology and Seismology. He later joined Middleham University and attained a Bsc (Hons) Degree specializing in Mining and Engineering Geology.

Further Geophysics-Seismology education was gained at the National Research Institute of Astronomy and Geophysics in Egypt and at the Institute of Seismology at Helsinki University-Finland (where he also studied Nuclear Radiation and Detection) before attaining a postgraduate certificate in Project Planning and Management at Makerere University. In 2011, he completed a modern postgraduate course from South Korean Institute of Geosciences' and Mineral Resource - KIGAM and specialized in Mineral Resources Exploration, GIS and Remote Sensing.

Kwatampora who credits his success to his dad and Ahmed Maviri Bwanika then a KML Chief Geologist plus trainers P. Eng. Marvin Michell, Dr. Matt Ball and DGSM's Dr. Fred Tugume, has put his vast experience in Mining and Exploration Geological/ Geotechnical works to good use in over 14 Countries including Rwanda, D. R. Congo, Burundi, Kenya, Tanzania, South Africa, Lesotho, Sultanate of Oman, Egypt, Sudan, Finland, Austria, Germany over the last 20 years.

“KILEMBE ready to bounce back”



Having played his part in the care and maintenance of Kilembe Mines Limited’s assets before a substantive investor came through, **Fred Kyakonye (pictured)**, the long-serving Kilembe Mines General Manager shares his thoughts on Tibet Hima Industry Company Limited, the new managers in charge of the once lucrative copper mines:

There is a change of guard at Kilembe Mines; what exactly is going on?

The goings on are that Kilembe Mines Limited (KML) management handed over management of the core assets (to resumption of mining at Kilembe) to the concessionaire, Tibet Hima Mining Company Limited (THIMICOL), effective June 1st, 2014. Some crucial (to resumption of mining) non-core assets of KML were also handed over concurrently. The handover is from KML Management to THIMICOL Management.

What does this involve?

A (technical) handover involves listing the details of the assets being handed over (e.g. for Machine-shop; the number of lathe machines, the number of cranes, the number of grinders etc as well as the stocks, pending orders etc in that particular section), and officers on both sides (i.e. KML and THIMICOL counter signing, both acknowledging the listed items and there state thereby).

Eventually, all such lists shall be brought together and bound into one document and copies kept securely

until the concession lapses after 25 years, and KML asks for them back in their original or improved state!

Is Tibet-Hima coming in with new staff entirely or it will retain some old workers? For how long, are they likely to be retained, if so?

THIMICOL should be approached on staffing, but I can confirm that 69 of the KML employees have been taken on, some on “short-term” and “long-term” contracts as well as on permanent and pensionable terms I suppose.

Will you carry on as General Manager?

KML has been restructured as any other divested company, especially as the role has changed from care and maintenance of assets to monitoring. Hence, a new structure subsists, and the post of “General Manager (or GM if you may)” seems not to have been retained.

All the tenants in the company houses have apparently received notices to vacate by August, 2013; setting off a state of panic amongst many residents. What are Tibet-Hima's plans for the houses?

KML Estates in Kilembe are one of the non-core assets taken over by concessionaire. If I can repeat what THIMICOL promised on the handover day, they are to employ more than 3,500 people, and I would not know if there are enough accommodation facilities outside of Kilembe. Since the estates are now managed by THIMICOL, they can answer the second part of the question.

As KML is handing over and thereby transfers its claim in the estate for the next 25 years, it is only natural that it informs the partners/tenants and asks them to leave. The new landlord shall decide the next course of action.

Otherwise, the deadline KML gave was two (2) months from the date of notice (as it is the one provided for in the Tenancy Agreement for those formally occupying the premises).

THIMICOL should share with you their plans for the houses, as am also waiting, pending negotiations for them.

Following the second spate of devastating floods in Kilembe valley in May this year, what are the plans

Copper future in Tibet Hima's hands



The old infrastructure in Kilembe that Tibet Hima will have to replace

for the damaged houses, offices and roads for now as Tibet-Hima starts work?

As is for all government assets, there are procedures followed when they are affected. Those houses/office buildings that the (Kasese) District Engineer condemned have been or are to be demolished and whatever is scavenged sold off following the Disposal guidelines; and the repairable ones mended.

The road belongs to Uganda National Roads Authority (UNRA), and neither KML nor THIMICOL can contend plans for it.

Is it viable for Tibet-Hima to kick start work in a damaged Kilembe?

Whatever "damaged Kilembe" imputes; I can supposedly inform you that in the address of the Chief Executive Officer (CEO) on the handover occasion, he mulled about worries of destruction of infrastructure at Kilembe by pointing out that China, where he comes from, they suffer much more due to earthquakes, but have always rebuilt and moved on. But of course, the question should appropriately be channeled to THIMICOL.

Kilembe Mines Limited (KML) was incorporated in Uganda in 1950 by a Canadian company called Frobisher Mining Limited. Mining started in 1956 and the mine was later operated by Falconbridge of Africa in 1962 after it absorbed the former. In 1975 Falconbridge relinquished ownership of KML to the Government of Uganda. A total of 16.2 million tons of ore grading 1.98% Copper and 0.17% Cobalt had been produced by 1977 using a series of portals and internal shafts over a vertical distance of 1,100 metres. Production continued sporadically until 1982 when high inflation essentially eroded the profit margin and essential supplies could not be purchased, which eventually forced the mining to stop.

An ore reserve in the "proven" and "probable" categories of 4.1 million tons grading 1.77% Copper remained unexploited, on top of the unexplored ore on the rest of the 2,000 acres of the mining lease. Management subsequently kept the mine under care and maintenance awaiting a new investor. Until 1992, the maintenance was funded by the Government of Uganda through Ministry of Finance, but thereafter KML started funding the operations from the income earned from the non-core units, including Mubuku Power Plant, Hima Lime Works, Timber treatment plant, Foundry and Machine-shop, and social infrastructure like real estate, a hospital plus institutions of learning.

The rise in metal prices on the global market in the last four years or so, made KML attractive again, subsequently attracting serious bids from various global copper players.

Last year, Tibet Hima Industry Company Limited – a Chinese consortium of companies – emerged winner of the International Open Tender process to manage KML.

Tibet Hima committed to make an initial investment of \$175m towards rehabilitation of the mine and upgrade of Mobuku Power Plant from 5MW to 12MW. In addition, the

company paid the Uganda government a signature fee of \$4.03m. Going forward, it will pay to Uganda an annual concession fee of \$1.005m for the 25 year duration of the concession. This is in addition to the mandatory statutory payments including income tax and mining royalties.

The venture has been designed to cover the four components, of the Hard Rock Mine Project, the Tailings Ponds Project, the Mobuku I Hydropower Project and the Beneficiation Project which shall involve the value addition aspect where the copper and cobalt mined shall be refined and processed into various product categories on sight.

To start with, Tibet Hima will carry out its own extensive exploration on the mining lease and its surrounding area to increase the quantified ore reserve.

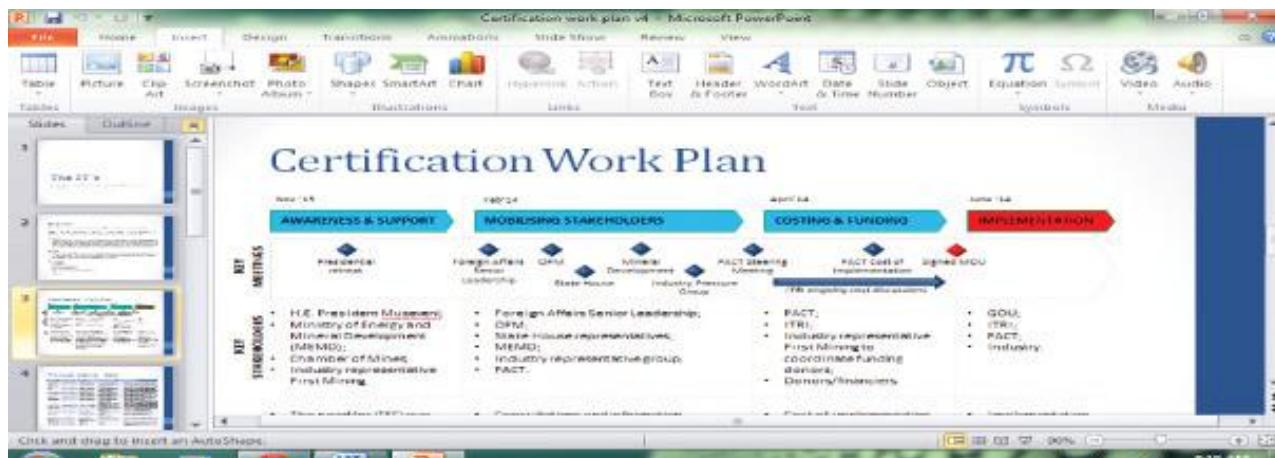
Assuch, Kilembe, which once contributed up to 30% of the country's GDP, is set to regain its past glory with copper mining activities in the area revived and the company expected to play a central role as a catalyst for wider employment and offshoot businesses to benefit locals.

During its prime, KML employed about 6,000 people but the workers were only 130 by the time Tibet Hima came in. On their part, over 3,500 direct jobs shall be created by Tibet Hima through this project with Ugandans getting first priority, Mr. Lu Guo the Deputy CEO of the company, said.

And where Ugandans do not meet the requisite standards, capacity building will be carried out with succession of foreign staff with Ugandans as the project moves ahead.

The beneficiation plants in Kilembe or next door in Kasese will also guarantee further jobs to the locals.

Progress in 3T mineral traceability, certification



Following a directive by President Yoweri Museveni, to set up mineral certification and traceability for Uganda's mining of the 3T's (tin, tantalite, tungsten), a working group was established to identify the different options before fast tracking implementation.

Consisting of public and private sector individuals, including representatives from the Ministry of Energy & Mineral Development, the Ministry of Foreign Affairs, the Office of the Prime Minister, and the State House, the Working Group have made significant progress towards the agreed work plan; achieving a full understanding of the necessary approach in addition to exploring the exponential growth opportunities that would be made possible throughout the mining sector should the correct certification partner be chosen.

Furthermore, in collaboration with ICGLR (the International Conference of the Great Lakes Region), the Working Group has an action plan in place in which its members and other relevant parties will complete a trip to Kigali, where certification has already been successfully established, to benefit from peer learning.

A fundamental success factor of the Working Group is to ensure that the certification system enables sale of Uganda's 3T minerals at the highest potential price, shaking off current constraints born from the Dodd Frank Act which classes Ugandan output as

at risk of contamination with conflict minerals.

This would earn the Ugandan government significantly increased revenue on royalties, whilst also promoting inward investment both directly in exploration and mining, as well as downstream value-add opportunities. As a result, all major certification bodies are being considered prior to sign off from government of a preferred supplier.

ITRI (International Tin Research Industry), who partner very closely with Dodd Frank compliant producers and smelters are a long standing leader in the certification of the 3T supply chain throughout the Great Lakes region; exhibiting successful implementation in Rwanda, parts of the DRC, and most recently Burundi. Having been approved as a partner to ICGLR, and demonstrated the ability to guarantee a high price supported by off-take agreements with Dodd Frank compliant smelters; ITRI, with their mineral traceability, due diligence and chain of custody system known as iTSCI, remains a fore runner for approval by the 3T Working Group and subsequently government.

ITRI have thus been engaged by the Working Group and government, with an in-country visit agreed to discuss next steps.

Another certification body, who the Working Group is also in discussions

with, is Geo-traceability. With a background in soft commodities, they are now trialing an offering of 3T certification – with the intention of rolling out existing practices to the minerals industry. Geo-traceability are yet to achieve approval from Dodd Frank compliant smelters however, and so they remain the less favoured option to the public and private sector given the minerals will remain 'conflict metals', commanding a lower price.

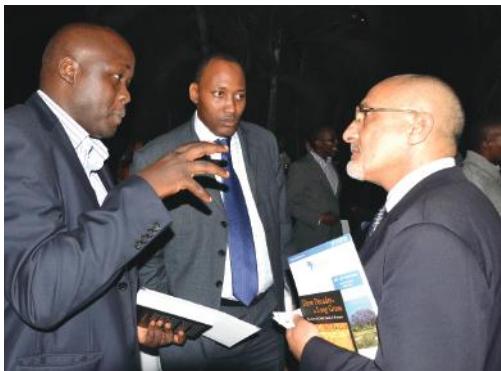
In addition to the progress made towards appointing an approved body, the 3T Working Group have also been mandated to explore value addition opportunities, which would be made possible with the implementation of an accrediting body who support conflict-free mineral production. Early discussions regarding the possibility of a Ugandan Commodities Exchange, and opportunities in the downstream refining and marketing of minerals, have therefore also been discussed, with a research team compiled tasked with devising a strategy for Uganda to best capitalise on these opportunities.



The writer is Paul Huckstep, Operations Manager, First Mining Company and the coordinator of the 3T Working Group. Email: huckstep@starfieldmetals.com.au



PetroAfricanus



Global Pacific Partners' PetroAfricanus Club cocktail reception saw the launch of the book "Three Decades in the Long Grass: The Story of Global Pacific & Partners", with Dr Duncan Clarke (Chairman) and Babette van Gessel (Chief Executive), and Kelly Alexander (Research & Advisory Group)





Tools and Services to Boost Fuel Efficiency in the Mining Industry



For a road haulier, irrespective of its size and operations, its trucks' fuel consumption constitutes its second-highest expenditure item, sometimes even its highest. The pioneer and leader in the area of fuel efficiency, Renault Trucks provides an overall approach in this field. The is making a commitment via its '**All For Fuel Eco**' initiative. This means that fuel efficiency is at the centre of Renault Trucks' concerns, at a very early stage in our operations, during the course of research work, then in the very design of trucks, and finally in relation to their maintenance in the network.

Configuring trucks well

To reduce the consumption of a truck, you must first of all have the best technological tools available and adapt them appropriately to the use you want to make of them (e.g. an optimised powertrain, a robotised gearbox,

Optiroll, OptiTrack, the choice of an internal combustion engine, or of an electric, hybrid or natural gas solution, etc.) and the most effective equipment (tyres, deflectors, etc.).

Training drivers well

Having a truck which consumes very little fuel is good, but knowing how to drive it so that it consumes even less is better. *Optifuel Training*, Renault Trucks "in-house" training programme, is based on thirty years of experience and enables fuel efficiency savings of 15% to be achieved across a whole fleet.

Measuring and analysing fuel efficiency on a long-term basis

When your drivers have been trained, it is fundamental, to ensure that the fuel savings being achieved continue to accrue, to provide them with assistance over the long term and to monitor the fuel efficiency of your fleet as a whole, through fuel efficiency monitoring

software such as *Optifuel Infomax* and fleet management software such as *Optifleet*.

Low consumption permanently

Even if it is well set up, well driven and well monitored, a truck also has to be well maintained, and this must be done employing the Renault Trucks network's know-how and experience, and you must also obtain the latest technical innovations (*Optifuel Retrofit*) in order to maintain its fuel efficiency throughout its entire operational life.

Excellent Configuring

To reduce a truck's consumption, you must first of all have the best technological tools available to you and choose the technologies appropriate to the vehicle's applications. With *Optifuel Technology*, Renault Trucks provides a high-performance powertrain on its vehicles, in particular through its robotised

Optitronic and *Optidriver+* gearboxes. To increase fuel savings still further, there are technological innovations such as *OptiTrack* and *Optiroll* but also certain optional extras such as automatic engine cut-off as well as power mode inhibition which can also be added to the fuel-saving features.

Robotized gearboxes' savings

Robotised gearboxes play a vital role in fuel savings. It is estimated for instance that using a robotised *Optidriver+* gearbox (on the DXi 11 and DXi 13 engines) results in about 3% less fuel being consumed on long journeys; a figure that increases to 7% with the *Optitronic* gearbox (on the DXi 7 and DXi 9 engines). The saving is all the more appreciable in that Renault Trucks drivers also get the benefit of faultless mobility: "We have developed our own gearbox management software," explains Amélie Debreux, the Long Distance range Product Manager.



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- ROBUSTNESS
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The new construction range combines ruggedness, outstanding payload and excellent pulling power, enabling it to operate over all types of terrain, great ground clearance, new Euro 3 engines, and low fuel consumption

The new long distance range features the lowest fuel-consumption figures on the market, a cab with a new suspension system combining robustness and comfort.

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She adds that, "The trucks have been designed so that the green zone covers not only the area in which engines consume the least fuel, but, at the same time, the one in which the available torque is the highest."

In the end analysis, electronic management of gear changes provides drivers with the best possible compromise between mobility and consumption, under all circumstances. But to achieve that, an effective gearbox is not enough. You also need to ensure that the gearbox can communicate with and synchronise itself with the other parts of the powertrain in an optimal manner. Insofar as Renault Trucks controls the production and development of each part, it can provide its customers with a harmonious and effective whole.

Over the past few years, robotised gearboxes have established themselves in the market. Indeed, electronic gear-shifting protects the clutch, increases its lifetime and reduces the risk of over-speeding and ensuing engine failure. In addition, it means that drivers benefit from driving comfort, enabling them to fully concentrate on their driving. For construction activities, an off-road mode has been specially developed on *Optidriver+*. It enables gear-shifting management to be changed when the vehicle has to deal with difficult conditions. The priority is at that point in time given to mobility, but only temporarily. The rest of the time fuel efficiency is all-important. The *Optidriver+* gearbox also permits a swinging or rocking effect when the driver takes back control and shifts frequently from reverse to forward drive in order to get out of a tricky situation.

Renault Trucks has introduced an entirely new selection of vehicles designed for construction work and offering two distinct ranges: the C Construction range and the K Heavy Construction range. These have been designed to meet

customers' needs as efficiently as possible. To achieve this, the manufacturer has deployed significant resources to ensure that these vehicles deliver maximum reliability. They have undergone stringently exacting quality trials and have also been exhaustively tested under actual operating conditions. Ruggedness, working comfort, payload, pulling power, new Euro 3 engines, low fuel consumption and easy body mounting all make these the perfect tools for demanding construction activities like quarry and mining, earthmoving, building material transport and delivery, transport and delivery of ready-to-use concrete.

The Renault Trucks C range, available in two cab widths, focuses on high payload, low fuel consumption and comfort on a par with that of a long-distance vehicle. Furthermore, its excellent pulling power and obstacle clearance capacity will also make it attractive for earthmoving applications. For its part, the Renault Trucks K range sets new standards in terms of ruggedness and obstacle clearance capacity as well as featuring the best approach angle on the market. The new vehicles benefit from an improved powertrain, with the new Euro 3 engines and also a highly distinctive cab.

These new ranges have been designed and developed in close association with international customers, who have been involved in the project from the design stage right through to testing under actual operating conditions. The Renault Trucks K range has been tested under particularly grueling conditions such as log transport in Cameroon, carrying 120 ton loads in Oman and also mine-working in Turkey. The reliability and endurance tests carried out on these new vehicles have been the most stringently exacting the manufacturer has ever used in its entire history.

The cab is one of the most striking features offered by these new construction vehicle ranges, since it

is more spacious, more comfortable and more ergonomic with its use of rotating buttons. A step on the side has also been incorporated into the design, allowing drivers to easily check the load. The vehicles offer failsafe ruggedness with reinforced protection for all exposed parts liable to suffer impacts and the all-steel bumper which is available on the C and K ranges. These new vehicles have outstanding technical capacities, with excellent ground clearance, a 120 ton Gross Combination Weight Rating (GCW) and the best approach angle on the market (32°) for the K range.

The vehicles' exterior design fully reflects their qualities; it is the visual expression of a reliable, efficient and rugged tool. One which has been designed to efficiently accomplish its assignments, which will strive to generate income and aims not let the customer down, will protect their businesses and make their drivers proud.

The Renault Trucks C and K ranges have been designed to meet the needs of customers operating on construction sites or supplying them. In addition, earthmoving and demolition, the transport and delivery of building materials or ready-mix concrete are all activities for which the manufacturer can supply appropriate vehicles.

The performance of the C range in terms of payload, fuel consumption, driving comfort and reliability is perfectly in line with the needs of operators whose business involves delivering building materials and carrying ready-mix concrete. Furthermore, its capacities in terms of engine rating, pulling power and ground clearance make it highly efficient in meeting the demands of most earthmoving operators. For its part, the K range is specifically designed for heavy earthmoving operations, mining operations, demolition, construction equipment transport and road building that call for heavy load capacity, ruggedness, obstacle clearance and power.

A case for human rights in mining



A lady mining gold at Rupa in Moroto

The thinking behind having Human Rights Impact Assessments done before mining activities commence, is legitimate. Patricia Nduru, Director, Monitoring and Inspections at the Uganda Human Rights Commission, says the recommendation carried in a Human Rights Watch (HRW) report focusing on mining in Karamoja is becoming a very important cog in any economic project nowadays.

"Addressing human rights first before you commence a business project, as recommended by HRW may sound like a different planning method altogether, however, I would also advise that if one is going to put a lot of money anywhere, it's important that they engage the local community and agree to a win-win approach. Businesses never want to be associated with human rights violations after all since the consequences can have a widespread negative impact on the community and project," says Nduru.

It is with this thinking that, the HRW warns in its report that Uganda's

nascent mining industry could do more harm than good for indigenous people unless the government makes reforms and mining companies start respecting human rights.

"Uganda's government has promoted private investment in mining in the remote northeastern Karamoja region to bring economic development, but should implement reforms to respect the rights of indigenous people to determine how their lands are used," its 140-page, "*'How Can We Survive Here? The Impact of Mining on Human Rights in Karamoja, Uganda'*" reads. As one of the world's prominent organizations dedicated to protecting human rights, HRW regularly produces extensive reports to raise awareness about human rights issues in more than 90 countries worldwide.

Currently, Uganda's mining law requires exploration companies to submit Environmental Impact Assessment (EIA) reports before they are granted operating licenses. For the HRW however, the EIAs alone are

not enough; hence the call for Human Rights Impact Assessment studies too.

HRW based its report on research from May to November 2013 that included 137 interviews, 61 of them with people living in areas where companies are exploring for minerals or actively mining. Company representatives from East African Mining, Jan Mangal, and DAO Uganda and those from the central and local governments, the army, national and international nongovernmental organizations, and donor governments and agencies were also interviewed.

Karamoja has a population of 1.2 million, with the majority traditionally pastoralists. The region has a history of conflict, the highest rates of childhood malnutrition in Uganda, and periodic food insecurity. However, with considerable mineral deposits including gold and marble observers believe its fortunes can be transformed, if the resources are properly exploited.



**Patricia Nduru, Director,
Monitoring and Inspections at the
Uganda Human Rights Commission**

"Mining development could be a real boon to the people of Karamoja, bringing jobs and better security, services, and basic infrastructure," said Daniel Bekele, HRW, Africa director, "However it is still unclear how the people of Karamoja will benefit, if at all, from mining, or how the government intends to protect their rights during this process."

In the dark?

The HRW claims the Ugandan government, in partnership with the private mining firms, has excluded customary land owners from making decisions about the development of their own lands and has proceeded without their consent. The World Bank too, was said to be complicit.

"There is considerable governmental resistance to communal or collective land ownership involving large numbers of owners, as is the tradition in Karamoja," says HRW, arguing that the residents' lack of legal proof of land ownership puts communities in significant jeopardy of rights abuses as mining activities increase.

Fears of land grabs, loss of access to mineral deposits, water contamination and erosion, forced evictions, and failure to pay royalties to traditional land owners have already prompted communities to question the companies and their own government's role in the companies' operations, further reads the HRW report.

Importantly however, none of the communities interviewed by HRW indicated an outright opposition to mining activities on their lands, with many more concerned with insufficient information on company activities, how they could participate in decision making and their benefits if any.

"This is a very bad situation for us, bad for my people," one Dodoth elder in Kaabong is quoted in the report, speaking with HRW researchers. "No one consults us, and no one has told us what will happen next. Someone comes and occupies your land or takes your soil; it is something we haven't really experienced before. People will die for this land and this gold. We cannot survive without them."

However, while welcoming the discussion on land rights and other

key issues in the report, one of the companies featured in the report, East African Mining, the Ugandan subsidiary of Jersey-registered East African Gold, denies accusations thrown against it, primarily the allegations of abuse of its workers.

"The company would like to state that any suggestion that it mistreats employees is categorically untrue and that its commitment to good working practices and the welfare of staff is absolute. East African Mining has, since its creation, believed in and practiced a policy of trying to bring as much employment and training to an area that has historically been largely ignored," Dr. Thomas Sawyer, the firm's CEO, said in a statement.

East African Mining which began exploring for gold in 2012 in Kaabong has trained about 80 local residents in line with its strict policy of hiring local people for as many positions as possible, according to Sawyer. Health insurance benefits are granted to the workers and nurses too are employed by the company to help ensure their health and safety both on and off site, he adds.

"We have made significant attempts to reach out to the community, to educate and inform people about our activities and to seek acceptance from the local community, as we know that this is fundamental to the success of the project," he further notes, in response to accusations of commencing exploration works without prior notice to the local people.

Sawyer also dismisses as untrue claims that his company employs the services of the national army, the Uganda People's Defense Forces (UPDF), to intimidate the locals on whose land they sought soil samples or force access to areas where they are not welcome.

"We are very grateful for the UPDF patrols who accompany field workers in the more dangerous eastern areas where armed bandits are sometimes active and who ensure the safety of our teams in these areas. The HRW researchers will have noted that these escorts are not required in areas which are considered to have better security further west," he emphasizes.

Prior consent

While Uganda's mining law requires

a surface rights' agreement to be negotiated with land owners prior to active mining, the law does not require any communication to or consent from the owner or local population during exploration work.

Hence, HRW's call for Uganda to reform its laws to ensure that free, prior, and informed consent of communities is gotten before any exploration operations begin and throughout the lifecycle of mining operations, while mitigating risks of future human rights abuses associated with mining.

"This right, which is derived from indigenous peoples' right to own, use, develop, and control their traditionally occupied lands and resources, has been affirmed by the United Nations Declaration on the Rights of Indigenous Peoples and the African Commission on Human and Peoples' Rights (ACHPR)," notes Maria Burnett, HRW's Senior Africa Researcher.

HRIA?

But while the HRW calls for a stand-alone law or policy addressing human rights, where exploration and mining companies are obligated to prepare human rights impact assessments (HRIA) prior to commencing

operations, some have argued that this will be akin to duplication.

The Ministry of Energy and Mineral Development, spokesperson, Yusuf Bukenya-Matovu, notes that already, under the portfolio of the Ministry of Gender, Labour and Social Development, the social concerns raised in the HRW report are addressed.

"We already have provisions in the Uganda laws that address Human Rights; but without an efficient enforcement mechanism, it becomes difficult to apply them. Those abusing the current laws with impunity are doing so fully aware that the authorities lack the capacity to penalize them. However, with our monitoring set to improve, the situation will soon become better for vulnerable communities," says Bukenya-Matovu.

Furthermore, he sees the Ministry engaging institutions like the Uganda Human Rights Commission to work towards finding even better ways of addressing the human rights challenges in mining.

"We may have to carry out training on human rights amongst vulnerable communities, small scale miners and the big firms, with the help of say the UHRC," notes Bukenya-Matovu.

This is imperative notes HRW, which warns that should mining in Karamoja boom without significant changes as it has recommended, the industry will likely become yet another obstacle for development in the region, as well as a potential driver of conflict, and prompt increased dependence on outsiders for residents' survival.

*The HRW report which
focused on activities
of mining companies*

*Uganda's mineral rich north
eastern region noted that
the locals were likely to
get a raw deal unless their
rights were respected and
government tweaked the
mining law in their favour*



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Karamoja land grabbing

concerns are being addressed-Muloni



The Human Rights Watch (HRW), report, “*How Can We Survive Here? The Impact of Mining on Human Rights in Karamoja, Uganda*”, raised a number of contentious issues about land use in Karamoja. The **Energy and Mineral Development Minister, Eng. Irene Muloni**, shares her thoughts on the report:

What has been government's response to the issues raised by HRW?

The Ministry staff travelled to Karamoja to verify the issue of land grabbing and subsequently involved the local district leaders to dialogue with the local communities. After discussions, mining is currently done in a



manner that is acceptable to the communities and this has created harmony in the area.

How have you addressed the concerns about the companies?

The three mining companies namely: East African Gold Ltd., Jan Mangal Ltd. and DAO Marble Ltd have been engaged in meetings with the ministry staff and local district leaders on conducting their mining activities following the mining laws and regulations.

For the case of DAO that had started mining before being granted a mining lease, the company was compelled to pay royalties to the tune of Shs37m (\$14,800) after computing the marble they had

excavated and sold. This money was paid before issuance of the Mining Lease.

How often does the Ministry conduct inspections in the Karamoja mining areas?

Since the beginning of 2012 the Ministry has been conducting regular inspections at least once in three months but also responds when urgent need arises.

The inspections cover areas of, but not limited to human rights, environment, social, production, taxation and trade. The Ministry also engages in conflict resolution involving the local communities and investors more often on land related issues. The recent example being the dialogue between local leaders, communities and Moroto Cement Ltd that resulted in a negotiated settlement of issues.

What is the Ministry's plan to conduct regular community sensitization in the area on land matters?

The Ministry of Energy and Mineral Development conducts community sensitization in Karamoja Region targeting communities living in and around mining areas.

Communities in Karita, Moruita, Rupa, Morulem, Nyakwae, Acerer, Kosiroi, Katikekile, Lopedo among others have been sensitized alongside communities in municipalities.

The sensitization and consultations in Karamoja have outlined areas of contention as: land grabbing by 'foreigners', adequately sharing mineral wealth amongst the central government, local government and the genuine landowner and finding geological and mineral information about Karamoja.

Before any work commences concerning the mining cycle sensitization of relevant stakeholders must always take place especially by the developer (mining company). This is a legally binding requirement and during monitoring and inspections, it is highly followed up by DGSM officers.

So if sensitizations happen regularly then what is the source of problems?

A major challenge is the interpretation of legislation regarding mining and land by miners and other land occupiers, most of whom likely have limited awareness of such laws, requirements for compliance or means to claim their rights. The Ministry plans to translate key sections of the mining legislation into local languages for easy understanding.

In Karamoja, land is owned communally and is informal thus making negotiations about surface rights lands agreements and similar agreements difficult. It is recommended that the Lands Office assist the Karamajong to acquire customary land ownership and certificates of customary ownership in order to enable the Minerals Ministry perform its work efficiently.

In the absence of your Ministry's officials, who takes the lead to ensure that human rights of land occupants in the area are protected?

Uganda did sign the Universal Declaration on Human Rights and many international treaties and conventions to protect individuals and groups against actions that interfere with their fundamental freedoms, entitlements and human dignity.

The Constitution of Uganda (1995) and many other domestic laws work to protect human rights. Much as the mandate of protection of life and property lies in the hands of the Police and the Army, in Uganda every organization and sector is informed of the human rights issues in their respective jurisdictions and is regulated under the law.

Through the government structures of Local Councils I – V and regular interactions with Central Government, every community in Uganda is not isolated and cannot be forgotten. To compliment on law enforcement by the relevant authorities, latest technologies and whistle blowing plays a significant role in exposing human rights abuses.

There seems to be little coordination between your Ministry and that of Lands. How do you address the land conflicts in such a situation?

The Ministry relies on surface rights issued by the Ministry of Lands, Housing and Urban Development and most cases verify the authenticity.

In cases of land for mining, in the past the government acquired land and gazetted it for mining (eg Kilembe, Kirwa, Ruhizah to mention but a few). Today in the liberalized economy, the acquisition of land has been left to the two parties, the investor deals directly with land owner.

However, government encourages and ensures fair and adequate compensation for land. In other words this has proved to be beneficial to land owners who receive fair pay-offs compared to the fixed rates as applied to land laws.

The mining law gives surface rights to the land owner while Mineral Rights belong to the government. Could this be the root cause of land crises in the area?

This issue is being debated in the course of the review of the mining legislation. The law is right and straight on ownership of minerals, what needs to be done is to agree on shares and community benefits such as employment, infrastructure development and livelihoods. The Government plans to introduce a 'Social License' to address the issue of community benefits.

What other amendments of the mining law are you targeting specifically?

Some key sections under the mining law that need to be reviewed have been identified and a consultant will be procured to finalize the review process and produce a draft document that will be discussed by all the stakeholders in the mineral sector. However, the preliminary consultations with the stakeholders under the Karamoja Project are underway in the Karamoja Region and other parts of Uganda.

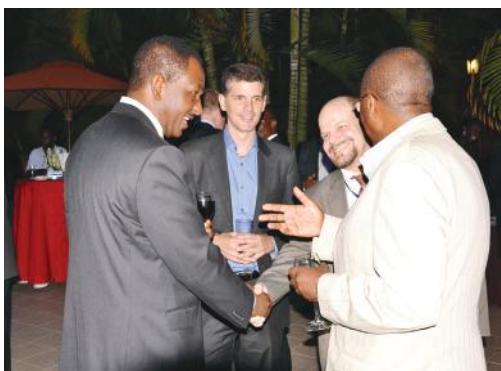
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Global Pacific Partners' PetroAfricanus Club cocktail reception saw the launch of the book "Three Decades in the Long Grass: The Story of Global Pacific & Partners", with Dr Duncan Clarke (Chairman) and Babette van Gessel (Chief Executive), and Kelly Alexander (Research & Advisory Group)





Artisanal miners given a Heartbeat



The hazardous conditions artisanal miners experience in Siyanyonja, Busitema, Busia District

NGO promoting responsible mining to encourage sustainable small scale gold mining in Uganda

Globally, artisanal and small scale mining remains an important economic livelihood for local communities in mineral rich areas.

Artisanal and small scale mining operations are in most cases characterized by unlicensed operations, use of rudimentary tools and mining methods, increased risks for injuries and fatal accidents, toxic mercury use, environmental management concerns, child

labour, lack of organizational and business management skills, poor and hazardous working conditions, lack of fair market access leading to exploitation tendencies, among other concerns.

In Uganda, more than 200,000 women and men miners directly derive their economic livelihood from artisanal and small scale mining activities; with another 800,000 or more individuals

indirectly dependent on this and related activities.

Challenges in artisanal and small scale mining remain in formalization, working conditions, mining practices and mineral processing methods, fair market access, environment management, value addition, organizational and business management skills.

The artisanal and small scale



Some of the artisanal miners who received protective equipment pose with the donors

mining in Uganda focuses on industrial minerals and precious metals. Gold, as one of the leading precious metals, attracts a high number of artisanal and small scale miners – at least 20,000 of miners spread across Uganda.

A responsible gold mining approach forms a sustainable mining future for artisanal and small scale gold miners both locally and internationally.

Earthbeat Foundation, a Zurich based not-for-profit nongovernmental organization, appreciates the strength of responsible mining as a means for economic and livelihood transformation of artisanal gold mining communities.

Through Heartbeat Uganda Project, Earthbeat foundation has started a campaign to raise awareness, support and promote responsible gold mining among women and men gold miners in Uganda.

“ The global future of the extractive industry is that every mine which extracts gold, every business which distributes it and everyone who enjoys jewelry will understand the necessity of the harmonization of the value and prosperity of both sides of the supply chain”

Earthbeat Foundation shares a positive vision of a world in which the extraction of resources for the jewelry industry is in harmony with nature and humanity, mine workers get appreciation for their work and moreover enjoy lasting prosperity. The global future of the extractive industry is that every mine which extracts gold, every business which distributes it and everyone who enjoys jewelry will understand the necessity of the harmonization of the value and prosperity of both sides of the supply chain. This sense of responsibility will become the standard and not the exception.

The Heartbeat Uganda Project focuses on achieving this through mass awareness on the sustainable benefits of responsible gold mining amongst artisanal mining communities, local and central government representatives, international and local gold buyers and jewelry industries,

relevant stakeholders, academia, mass media etc.

A critical part of the Heartbeat Uganda Project builds support partnerships for appropriate best practice technology transfer, value addition, fair market access and formalization as some of fundamental principles for responsible artisanal and small scale gold mining.

Supporting artisanal and small scale gold miners in Uganda appreciate the need and importance of personal safety and protection during their mining process has formed our initial responsible mining initiative in Uganda.

Between February 25, 2014 and February 28, 2014, Earthbeat Foundation through Heartbeat donated personal protective equipment to artisanal and small scale women and men miners in Siyanyonja Village, Busitema Subcounty, Busia District.

The equipment included; mining safety helmets, miners' boots, safety harnesses for underground operations, reflective jackets, overalls, safety hand gloves, mining torches for underground operations, anti-mist eye safety goggles and dust

masks.

In addition, the project is extending free mercury retorts to the beneficiary miners as a means for safe mercury use during their gold processing operations.

The use of mercury still presents challenges to responsible small scale gold mining and our future focus is on extending appropriate best practice technologies that can eliminate reliance on mercury during gold extraction.

Earthbeat further supports miners' value addition to their locally produced gold and is building crucial partnerships for appropriate beneficiation technology transfer to the artisanal gold miners.

During the equipment handover process in Busia, an expert goldsmith from Germany with the Earthbeat team guided the local gold miners through an introductory value addition process using their own gold. Under the goldsmith's guidance, the local miners guided produced two gold rings during the field workshop.

Furthermore, promoting peaceful coexistence and good relations between artisanal miners and licensed mining firms is another important area Heartbeat is concerned with – by facilitating



Adding value to the locally sourced gold

mechanisms to formalize such relationships under the existing mining legislation. This core initiative provides a good model for formalization of artisanal and small scale gold miners.

The Department of Geological Survey and Mines, Regional Mines Offices and Local Government authorities are strong pillars and crucial stakeholders in the mineral sector. Their involvement and all the other relevant stakeholders forms an important part of the Heartbeat Uganda Project activities in Uganda.

Notwithstanding the good global gold prices, artisanal and small scale gold miners still face the same unfair prices, poverty, poor working conditions, environmental concerns and high risks for injuries and fatal accidents in their gold mining processes.

In the 21st Century, the global mineral consumers are shifting towards better sourced minerals that can show proof of good environmental protection practices and fair benefits to whoever participated in the mining processes.

Embracing responsible gold mining is an achievable means to guarantee the desired change and a sustainable future for artisanal and small scale gold mining communities.

Earthbeat Foundation through the Heartbeat Uganda Project shall remain dedicated in supporting the achievement of responsible gold mining as a useful link to formalization, sustainability, value addition, fair market access, appropriate technologies' transfer and profitable mining for the full benefit of artisanal and small scale gold miners and their communities.

The writer, Stephen Turyahikayo, is Partner, Heartbeat Uganda Project. Email: turyahikayostephen@yahoo.com



Gold ring produced during the value addition training workshop

Refinery race pits Russia against South Korea



South Korea's SK Group led consortium and the RT Global Resources led conglomerate from Russia have been invited by Uganda to progress to the next stage of the tender process for the role of lead investor for the 60,000 barrels per day oil refinery plus related downstream infrastructure.

This followed the issuance of a Request for Proposals (RFP) for the Uganda Refinery Project during January 2014 with a submission deadline of May 30, 2014.

"The RFP required the submission of a Bid Bond, and detailed technical, financial and commercial plans to develop, finance, build and operate the Project in partnership with the Uganda, among other requirements. The bidders were also required to review and comment on draft Principal Project Agreements," explained Kabagambe Kaliisa (**Above**), the Permanent Secretary, Ministry of Energy and Mineral Development.

Not evaluated were the proposals

from Japan's Marubeni Corporation and China Pipeline Petroleum Bureau's due to a lack of a bid bond as required by the RFP and failure to adequately satisfy all the requirements of the RFP, respectively.

The evaluation was conducted during June 2014 by a team comprising of representatives of Government of Uganda supported by the Government's Transaction Advisor, Taylor – Dejongh.

"Government will commence negotiations with the two preferred bidders and thereafter issue a request for the Best and Final Offers (BFO) document. The two consortia will be expected to submit their respective BFOs by the end of August 2014. Government will then negotiate the Principal Project Agreements with the highest scoring Preferred Bidder and once executed, take forward the development of the project," Kaliisa added.

Estimated to cost in excess of \$10bn to \$15bn, Uganda's refinery project is to be established under a public private partnership (PPP) arrangement with the Government holding up to 40% equity. It involves development of a refinery with a capacity of 60,000 BPD, development of crude oil and product storage facilities on site, as well as a 205-kilometer product pipeline to a terminal near Kampala. The first phase of the refinery is expected to be in place by 2017/2018.

Citibank ready for oil, mining projects

Citibank Uganda has the capacity and is ready to finance any kind of project in Uganda's oil and mining industries, the bank's managing director, Chinedu Ikwudinma has said.

"Citibank is present in all the areas where there is oil and mining across Africa. We have been involved in funding oil projects in Ghana and Nigeria; mining in Zambia, name it. We have the biggest presence of any international bank in Africa; with a physical address in 15 countries while also deeply engaged in another 22," Chinedu noted at a Uganda Chamber of Mines and Petroleum (UCMP) networking cocktail, sponsored by his bank.

The monthly UCMP engagements are important networking events where executives from companies involved in petroleum and mining interact freely with those from re-

lated sectors to further their business outreach.

Citibank, was one such related business, Chinedu said, and with the added advantage of appreciating the high stakes in the sectors.

"There is little margin for error in your sectors. Hence the need to associate with partners like us who maintain the same high standards like you do. Citibank's financing principles are both socially and environmentally conscious," he noted.

Also, having initially worked in the oil sector in Port Harcourt, Rivers State, Nigeria before joining banking, Chinedu feels he has an edge over the competition when it comes to serving the sector.

"First oil is expected around 2018; and we could not be more ready. At

least a tremendous \$15bn in investment is expected in this sector in the next 5 years; and Citibank is ready to partner with you," Chinedu, who is also the new Chairman, Uganda Bankers' Association, elaborated.

Furthermore, internationally, the bank was in advanced discussions on what role it could play in modernizing the mineral resources in Africa to provide economic empowerment to the African people.

Dr David Cohen, Citibank's African Economist noted the need for Uganda to put together the right policy framework to ensure that the oil returns benefit everyone.

On his part, Elly Karuhanga, the UCMP chairman, hailed Citibank's resilience after overcoming the financial crisis a few years ago, and called for its continued support to the oil and mining sectors.

HR Training Will Transform Africa's Mining

Kirsty Chadwick, the founder of **The Training Room Online**, which specialises in creating innovative, cost effective and fully customised e-learning solutions for businesses, believes Africa's oil and mining industry can achieve a lot if it deals with a number of its challenges like the cost of labour. She elaborates below:

What are the biggest challenges facing training in industry in Africa, particularly in the mining and oil sectors?

The biggest challenge facing the industry is the increasing cost of labour and inadvertently the spiralling costs associated with training individuals in these sectors. Mine managers in particular have the daily struggle of balancing the need to ensure adequate production levels with the training needs of the individual. There have also been a number of reports linking the dropping of training standards to ineffective training protocols and the use of archaic methods of delivery. Coupled with this, law enforcement agencies and regulatory bodies are placing increased pressure on issues such as legislative compliance training, health and safety and ongoing competence. These issues have forced companies to look at cost effective and efficient ways of delivering training without affecting the bottom line negatively.

Who is most affected by these challenges and why?

All employees are affected, however production workers are affected more than others, due to the impact their absence has on operational capacity.

What approaches are currently being taken by governments and industry to address these challenges?

Government and industry have started to recognise the importance of creating an industry wide approach to challenges faced with regards to compliance and baseline training. Many industry bodies are now talking to each other to develop

learning solutions for delivery through technology. This in itself is intended for a much wider audience. As an example, the regulatory compliance requirements for the oil industry is the same across all oil companies. It would therefore make sense that training solutions for compliance be developed at an industry level, as opposed to the level of individual companies. The benefit of this approach is the development of standardised and consistent training content at a fraction of the cost. Similarly, in the financial services industry, banks have found it useful to pool their training resources to ensure compliance with regards to regulatory requirements. The knock-on effect of this is the development of a far more proactive approach to training, which has now been extended to the broader HR discipline by way of the development of foundational compliance competencies and the standardisation of job descriptions and role profiles.

Which, if any, of these approaches are effective?

Both approaches are effective as there are benefits to both. Endorsement through industry bodies is however preferred as this often infers endorsement by employees as well.

What can be done to improve training standards?

There is a lot that can be done to improve training standards, but it requires a concerted effort by all players within the industry. Two variables are often found to be at the centre of the discussion - the first is the quality of learning content and the second is the continuous professional



development of facilitators. In order to address the issue of standards, the first step is the development of a learning model which serves the industry as a whole. This model should map the training requirements for all job roles, while creating a framework of generic training content for the industry. The second step is to ensure the training and retraining of facilitators and technical training personnel. Regular assessment of competence should also form part of the process so as to create a benchmark for performance.

How does e-learning fit into the equation?

Learning content being delivered through technology ensures consistency of approach and does not require the use of a facilitator. Content can be accessed on mobile devices, tablets and computers and learners have the ability to learn about complex issues as and when they need to. Through e-learning, training can be scaled up quickly and consistently, addressing the need for standardisation of practice as well as interpretation. As a result, e-learning becomes a more cost effective and attractive option.

Norwegian Energy Firm Eyes Uganda's petroleum

Norway's Jacobsen Elektro Holding has joined the queue of companies lining up at the Electricity Regulatory Authority requesting for licenses to put up power plants near Uganda's oil fields in the western part of the country.

The company has applied for a license to tap into Uganda's gas reserves and generate 100 MW of power. The project will be located in Kabaale, Hoima the host of Uganda's oil refinery.

Jacobsen is the third company to apply for a license for a power plant near in the oil fields. Albatros Energy Uganda Limited and Lake Albert Infrastructure Services Limited are the other two firms that have shown interest in tapping into Uganda's oil resources.

Jacobsen, which already has a 50MW thermal power plant at Namanve, Mukono writes in its license application of how the three major oil companies – Tullow, Total and CNOOC - have determined Uganda's gas reserves to be higher than earlier anticipated.

Lake Albert Infrastructure Services Limited (LAIS) says Uganda's

associated gas could amount to about 190 million standard cubic feet – an amount that is enough to power a 50MW power plant for more than 30 years.

Jacobsen says that the only way Uganda's oil – estimated at 3.5 billion barrels - can be successfully produced is if the gas is exploited for other uses, and not re-injected into the ground as earlier plans had noted.

"In order to enable production of the oil in ground a sustainable solution is required to be in place for the handling of the associated gas. In addition, we are informed by the oil companies and PEPD that re-injection of the Associated Gas back into the well is impossible due to the nature of the shallow oil structures," Jacobsen writes in its license application.

Adding: "As a result the only sustainable, stable and environmental friendly solution will be to use the Associated Gas as fuel for power generation."

Jacobsen says it will form a special purpose vehicle to undertake the power project. The cost of the project will be \$170 million, funded with a combination of debt and equity.

The Norwegian Guarantee Institute for Export Credits will fund the project to a tune of \$145.5 million as debt, covering 85% of the total

project cost.

The money varies from what LAIS will spend. LAIS, whose parent company in Uganda is EleQtra, will spend \$87 million to develop its 52MW gas plant.

Albatros Energy, which is to put up a 230MW power plant using crude oil, does not mention how much money it will spend.

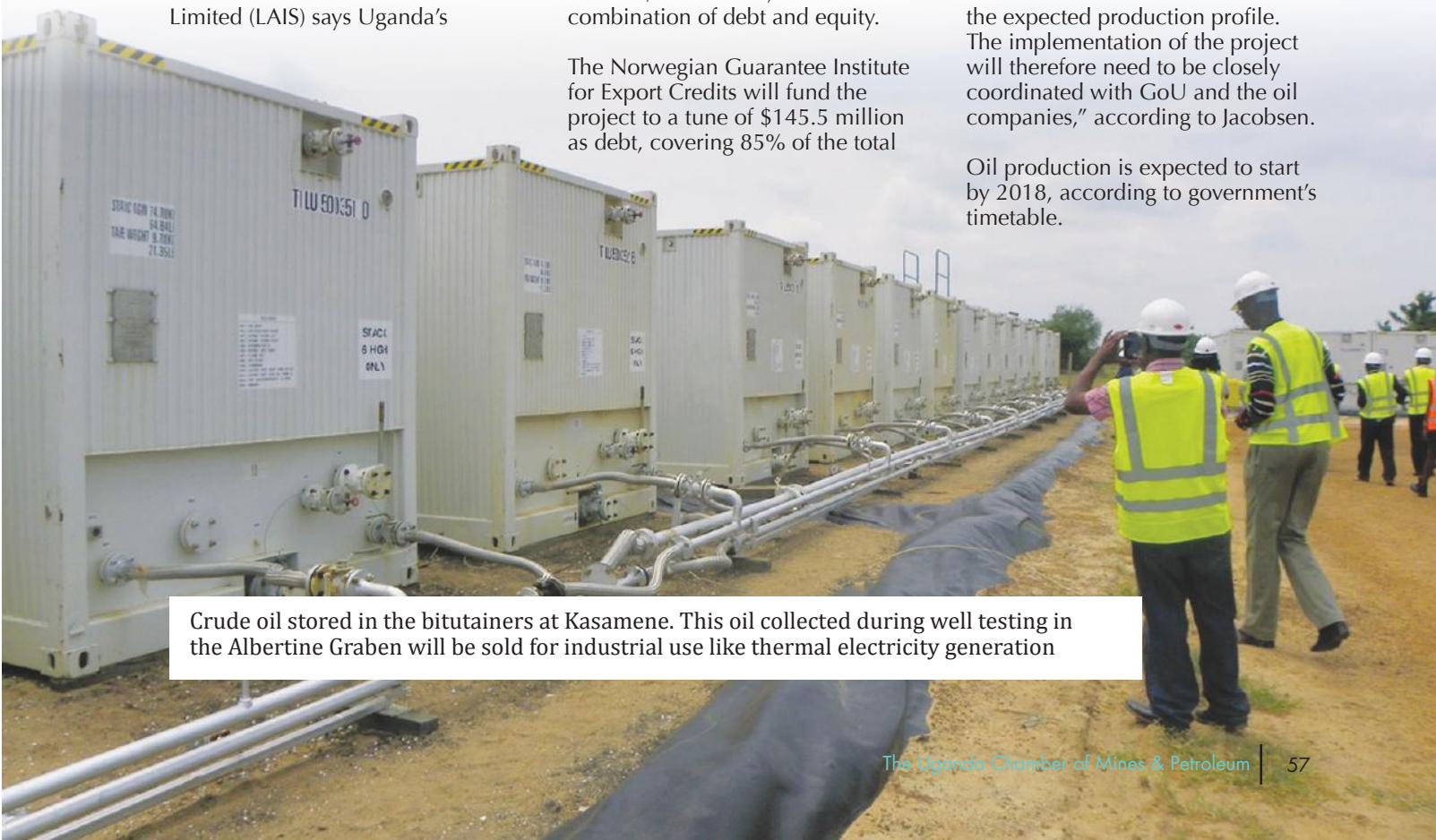
Jacobsen, which is also developing the 6.7MW Nengo Bridge hydro power plant, says its project will not just use gas.

"Following discussions with the oil companies and PEPD (Petroleum Exploration and Production Department) it is likely that the power plant should also be able to utilize other fuel types than Associated Gas, namely fuel (local crude oil and local heavy fuel oil)," Jacobsen writes.

The power plant will be built according to how the oil companies develop the oil.

"It is anticipated that the power plant would be built in stages to match the needs of the oil companies and GoU to handle the Associated Gas in accordance with the expected production profile. The implementation of the project will therefore need to be closely coordinated with GoU and the oil companies," according to Jacobsen.

Oil production is expected to start by 2018, according to government's timetable.



Crude oil stored in the bitutainers at Kasamene. This oil collected during well testing in the Albertine Graben will be sold for industrial use like thermal electricity generation

UK businesses seek Uganda partnerships



Sherwen addresses the UK delegation during the business to business meetings



A joint trade delegation from the London Chamber of Commerce and Industry (LCCI) and the Aberdeen and Grampian Chamber of Commerce (AGCC) visited Uganda in March 2014 with interests in major sectors of oil and gas, mining, energy, telecommunications, agriculture, education, security and professional services in Uganda.

The mission was organised by the UK Trade and Investment

(UKTI) section of the British High Commission Kampala in conjunction with the LCCI and AGCC, such trade missions are an established part of LCCI's annual programme of international activities. Many UK companies use these missions as an integral part of their export strategy for expansion into global markets.

The AGCC delegation comprising companies operating in the oil and gas sector had a programme that was specifically intended to provide

them a comprehensive introduction to oil and gas opportunities in Uganda. The programme included briefings with key stakeholders and operators in the public and private sectors for detailed market insight; site visits and one to one meetings. The delegations also held a business-to-business session with members of the Uganda Chamber of Mines and Petroleum (UCMP) which was intended to build business partnerships in Uganda's oil and mining sectors.

"This trip was really positive. The UCMP was the right kind of organization to associate ourselves with. As an introduction to the market, everyone on the mission made the right contacts and they will follow up on their own subsequently. Everyone knows they are not going to win business straight away; this takes time – 6 to 12 months maybe," said Ruma Deb, a Senior International Business Executive with LCCI.

Though the mission approached the entire East African block as one market, Deb believed Uganda's more advanced position in oil and gas, should make these UK businesses visualize making inroads here a lot sooner than in Kenya – where they also visited.

Addressing the same delegation, Paul Sherwen, the general secretary, UCMP, emphasized that indeed Uganda was going to be a very exciting place in the next 12 – 18 months.

"Your visit is timely because I believe you are laying down the foundation now for the next phase in Uganda's oil and gas industry," he said.

Sherwen also highlighted Uganda's centrality in the EAC block; which made it attractive as a springboard for a company that sought to carry out business across the five East African countries.

"Uganda is a very welcoming place to come to and is a very good place to do business. I have always regarded Uganda as the hub of the EAC. A lot of companies have used Uganda as their base to work out into Kenya, Rwanda, Burundi and Tanzania. It's an easy country to operate in and I am sure you will enjoy your meetings here," Sherwen said.

The UK is Uganda's largest cumulative foreign direct investor, with investments worth £0.7bn.



The business trip was very enlightening. It was the first that I was attending but I confirm that I was very impressed with the programme and the arrangements that had been put in place to ensure that all delegates were given all the information they required.

I made useful contacts but only time will tell if we will be able to partner together to develop the local content for Uganda.

What is certain is that we shall be investing in Uganda in the near future through various partners. These arrangements are still in the early stages.

Martin Aloyo, Regional Development Manager Pearson Edexcel



The organisation of the trip between the LCC, AGCC, and UKTI was very good. The balance between one-on-one and group sessions was appropriate, and it appeared like all of the right people and companies participated in the mission.

As such, KCC Ltd achieved all of its objectives on the trade mission, making suitable contacts who will improve our capacity to delivery services to our clients. We already work across East Africa, not directly, but through associates. We have only worked for our clients on Ugandan projects on a relatively infrequent basis, however. We see this changing rapidly over the next 12-18months and, as such, this trade mission has been a vital part of the preparatory groundwork.

This is the right time to get involved in Uganda. True there is a couple of years to go before all the big works start to kick off but prior to that there is a lot of planning that needs to be done.

Glenn Flint, Head of Strategic Development , KCC Ltd

It's only through success for partnerships and relationships like these that we will all be able to benefit from the inevitable expansion of international markets into Africa. We were thrilled to be invited to participate and sponsor this event. ENSAfrica has a number of international clients; and we understand the need for innovative and effective legal solutions which are mindful of the unique challenges our clients face when entering the African market.

ENSAfrica official



I would rate the business mission to Uganda as excellent. We were able to make quite a few promising contacts that should lead to strong local collaboration being developed. This can only mean that there is a strong possibility of investment in Uganda before the end of 2014.

***Victor Fashoro, Director of Training/ Consultant
Onabo Consulting Ltd***

Chamber Members

Chamber Diamond Members

COMPANY	CONTACT PERSON	SECTOR
1. Tullow Oil Ltd	Mr. Conrad Nkutu	Oil and gas exploration and production
2. CNOOC	Ms. Chai Wei	Oil and gas exploration & production
3. Total E&P	Mr. Ahlem Friga-Noy	Oil and gas exploration & production
4. Schlumberger Oilfield	Mr. Denis Bonifay	Oil &gas services
5. East African Gold	Hon. Richard Kaijuka	Mineral Exploration
6. Bank of Africa	Ms. Sarah Muhaise	Banking
7. Housing Finance Bank	Ms. Judith Owembabazi	Banking

Chamber Gold Members

COMPANY	CONTACT PERSON	SECTOR
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9. Bank of Uganda	Mzee Juma Binehe	Bank of Uganda
10. DFCU Bank	Mr. James Mugabi	Banking
11. Kilembe Mines	Mr. Fred Kyakonye	Copper Mining
12. Orwell International U Ltd	Mr. Fred Umunna	Drilling Tools and Well Services
13. Orient Bank	Mr. Ben Lewis	Banking
14. Hima Cement Ltd	Mr. Daniel Pettersson	Cement manufacturers
15. Stanbic Bank	Mr. James Karama	Banking
16. Standard Chartered Bank	Ms. Cynthia Mpanga	Banking
17. Lion Assurance Co. Ltd	Mr. Newton Jazire	Insurance
18. United Bank for Africa (U) td	Mr. Wibrod Owor	Banking
19. Barclays Bank	Mr. Gibson Nangono	Banking
20. Roofings Group	Mr. Stuart Mwesigwa	Steel Manufacturing
21. Centenary Bank	Mrs. Beatrice Lugalambi	Banking
22. KPMG	Mr. Benson Ndungu	Audit, Tax and Advisory
23. AERSUD Uganda Ltd	Mr. William Mutlow	Mineral Trading & Mining
24. ENS AFRICA	Mr. Alexander Kibandama	Partner

Chamber Silver Members

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25. Agility logistics Ltd	Mr. Lakshmi Narasimha	Logistics
26. AON Risk Services	Ms. Caroline Athiyo	Insurance & Risk Management
27. Askar Security	Ms. Kellen Kayonga	Security
28. AUC mining Ltd	Mr. Moses Masagazi	Gold mining
29. Bemuga Forwarders	Mr. Ben Mugasha	Clearing and Forwarding
30. BTS clearing & forwarding	Ms. Merian Sebunya	Clearing and Forwarding
31. Greenstone Resources Ltd	Mr. Nimit Patel	Gold mining
32. AIG Uganda Limited	Mr. Edward Hire	Insurance
33. Citibank U Ltd	Ms. Magdalene Weya	Banking
34. Civicon Limited	Mr. Jason Horsey	Mechanical & Civil Engineering Works
35. Deloitte U Ltd	Mr. Tallarovic Matthew	Auditors
36. Eagle logistics solutions Ltd	Mr. David Walabyeki	Customs Clearance, Heavy Equipment Hire
37. East African Chains U Ltd	Mr. David Mayanja	Dealers in Mechanical Tools
38. ORTEC Group	Mr. Fabrice Rulinda	Lifting Services

39. Epsilon U Ltd	Ms. Hellen Nambi	Waste Management
40. Ernst & Young	Mr. Muhammed Ssempija	Auditors
41. Farm Engineering Industries	Mr. T. S Padhaal	Equipment Supply
42. Flemish inv. Ltd	Mr. Bruce Milne	Mineral Exploration
43. GCC Services (U) Ltd	Mr. Rabih Riad Jaber	Catering Services
44. Gold empire ltd	Mr. John Muruli	Gold Exploration
45. Goodlife (U) Ltd	Mr. Shem Nnaggenda	Training Solutions
46. Gulf Resources Uganda	Mr. Henson Mambo	Mining
47. Habib Oil Ltd	Mr. Osman Ahmed Noor	
48. Halliburton International Inc.	Mr. Robert Salmon	Oil & Gas Services
49. Inspecta International	Mr. William Pike	Inspection Services
50. Integrated logistics	Mr. Attila Jonathan	Onshore & Offshore Logistics Support
51. Kampala Associated Advocates	Mr. David Mpanga	Law Firm
52. Krone (U) Ltd	Mrs. Rose Rugazora	Mineral Exploration/ Wolfram
53. ABMAK Associates	Mr. Denis Kusaasira	Law Firm
54. Lloyds British Testing	Mr. Andrew Davies	Inspection, Training and Assessment
55. Marsh Uganda Ltd	Mr. Paul Mulira	Insurance & Risk Management
56. Askar Investments Ltd	Mr. Kellen Kayonga	Mineral Exploration/Tantalite
57. Multilines International U Ltd	Mr. Gerald Mukyenga	Clearing and Forwarding
58. NFT Consult Ltd	Mr. Badru Ntege	HR Outsourcing
59. NPK resources ltd	Mr. Nathan Wanda	Mineral Consultancy
60. Oli gold muruli ltd	Mr. John Muruli	Gold Exploration
61. Oryx minerals ltd	Mr. Garvin Conway	Mineral Exploration
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67. Bollore Africa Logistics	Ms. Monica Kisubi	Logistics Service Provider
68. Seafast Holdings U Ltd	Mr. Michael Majeed	Logistics Service Provider
69. Semliki Rift Rrading Co	Mr. Patrick Van Pee	Lift Services& Ferries
70. Sino Minerals Investments Co. Ltd	Ms. Sarah Namara	Mineral Exploration
71. Specialized Welding Services	Mr. Yvick Robin	Welding Services
72. Spedag Interfreight U Ltd	Mr. Dilip Bhandari	Logistics Service Provider
73. Strategic Logistics	Mr. Paul Sherwen	Logistics
74. Tamoil East Africa Ltd	Mr. Gamal Bouargob	Market &Sale of Crude Oil Products
75. Threeways shipping	Mr. Jeff Baitwa	Logistics Service Provider
76. Toyota U Ltd	Mr. Dino Romano Bianchi	Car Dealers
77. Transeast (U) Ltd	Ms. Sheila H. Graig	Transporting
78. Uganda Insurers Association	Mr. Faith Ekudu	Insurance
79. Union Logistics	Mr. Hitesh Shan	Clearing and Forwarding
80. Victoria Equipment Ltd	Mr. Peter Sekandi	General Machinery
81. Victoria Motors Limited	Mr. Dickson Mwesigwa	Car Dealers
82. Woodmore Energy Consultancy Ltd	Mr. David Kayemba	Oil & Gas Downstream

83. British High Commission	Mr. Eric Olanya	Diplomatic Mission
84. Mining, Minerals & Metals Ltd	Mr. Nari Patel	Mining
85. Sterling Global Operations, Inc	Mr. Nobert F. Rugunda	Critical Mission Support & Site Restoration Services
86. Let's Go Travel	Mrs. Joan Kantu Else	Tours & Travel
87. Achelis Uganda Ltd	Mr. Hans Georg Hinterberger	Equipment Sale & Rental
88. Africa Ecoinvest	Dr. Abdullahi Hajji	Mining & Energy
89. Pearl Engineering Company Limited	Mr. Gumisiriza Birantana	Construction
90. Enviroserv U Ltd	Ms. Jennifer Bangirana	Waste Management
91. Goldstar Insurance Co. Ltd	Mr. Paul Kavuma	Insurance
92. UAP Insurance Uganda Ltd	Mr. Paul Muhame	Insurance
93. Unifreight Cargo Handling	Ms. Jennifer Mwijukye	Cargo Handling
94. First Mining Company Ltd	Mr. Dorde Grujic	Mining
95. The Mineral Group Co. Ltd	Mr. Barnabas Taremwa B	Mining
96. Gras Savoye Uganda Insurance Brokers Ltd	Mr. Johnny Evans	Insurance
97. Sipa Exploration Uganda Ltd	Ms. Natasha Venus	Mining
98. Sheraton Kampala Hotel	Mr. Basil F. Hamadeh	Hospitality
99. Beta Projects Ltd	Mr. Nelson Mugenyi	Procurement & Consulting
100. ADT Africa Explorational Drilling Services	Mr. Ben Vietnieks	Exploration Drilling Services
101. Tower Resources plc	Mr. Rashid Mugabe	Oil & Gas Exploration and Production
102. Aerophoto Systems Engineering Co.	Mr. Nalukoola Muwanga	Airborne Geospatial Data Acquisition, Aerial Photography, Surveying, Mapping
103. Megha Minerals	Mr. Sikander Meghani	Mineral Exploration
104. Capital Law Partners	Mr. Ronald Asiimwe Mitegyeko	Law Firm
105. Mineral Services Ltd	Mr. Edward Kabuchu	Construction, Warehousing, Camp Building, Motor Vehicle Support
106. Kenfreight	Mr. Amos Dwoka	Freight Services
107. Velosi Corporate Services	Mr. Willie Rankin	Asset Integrity Management
108. CFAO Motors Uganda Limited	Ms. Tammy Hein	Car Dealers

Chamber Individual Members

Name	Specialty
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110. Mr. Brian Kaggwa	Lawyer
111. Mr. David Kyagulanyi	Mineral Consultant
112. Mr. Joshua Tuhumwire	Mining
113. Mr. Malkit Singh Saini	Construction
114. Mr. Minaz Karmali	Businessman
115. Mr. Rajesh Dewani	Construction
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MINERAL WEALTH CONFERENCE 2014.

Theme: Uganda's Transformation: "A New Era in Mining"

Dates: 1st - 2nd October 2014

Venue: Sheraton Hotel Kampala

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Account Name: Uganda Chamber of Mines & Petroleum
Account Number: 8702014135500
Swift Code: SCBLUGKA

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