GOVERNMENT TO ESTABLISH PETROLEUM SKILLS DEVELOPMENT FUND

The fund is expected to finance training and skills development for Ugandans to meet the skills sets required by the industry. Pg3

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Uganda’s Oil and Gas Industry: Capacity Development Initiatives vis a vis the Journey to First Oil.

Uganda’s oil and gas sector is fast transitioning from the exploration and appraisal phase (based on the 40% exploration cover of the existing potential acreage) to development and production phase(s) in preparation for sustainable production of the petroleum resources in the country. The plans for the commercialization of the discovered oil and gas resources so far in the Albertine graben are in high gear and they include development of a refinery, use of associated gas from crude oil to generate electricity, and export of crude oil to international markets by pipeline via Tanzania among others. The development of the oil and gas resources is anticipated to stimulate accelerated economic growth, job creation, and contribute towards poverty eradication and general prosperity for the people of Uganda.

As a pre-cursor to the planned developments, Government of Uganda issued production licenses to three International Oil Companies (IOCs), i.e, Total E&P Uganda (TEPU), Tullow Uganda Operations Pty Limited (TUOP), and China National Off-shore Oil Corporation Uganda (CNOOC Uganda) for the development of the oil fields in the Albertine region. The development of the fields necessitates the establishment of numerous infrastructures for the extraction from the ground (and processing) of the hydro-carbon resources. Greater opportunities for employment and business do exist during the development phase and Ugandans ought to seriously prepare to tap into these opportunities at the right time when construction and other related activities kickoff and reach peak level. After all establishments will be in place, limited opportunities shall exist since the major human resource requirement will mainly turn to operations and maintenance where limited number of people is required and those who will have served their purpose during the development phase would require re-skilling and re-tooling to enable them fit into other down-stream or side-stream industries and/or connections to other opportunities.

In view of the above, there is dire need to properly address the skills and knowledge gaps step by step along the petroleum value chain to ensure real-time availability of required manpower. Opportunities in the extractive sector do always present themselves with spikes and down-turns depending on the phase and/or situation at hand. For example, the oil price collapse in recent years caused serious down-scaling of investment in the oil and gas businesses which had a ripple effect on manpower needs thus causing many companies to down-size accordingly. When business picks up, definitely operational ramp-ups happen and more people are employed. Such cyclical scenarios keep playing out once in a while.

None the less, capacity development of Ugandans to enable them access opportunities in the oil and gas sub-sector is important. Practical initiatives that can easily foster hands-on experience and development of expertise are urgently required. For example, apprenticeships for young people would do very well so that they can gain the on-hand knowledge and skills that are greatly required for better entry and engagement in the sector. This can easily minimize the turn-around time for ensuring availability of appropriately skilled manpower in real time. The government, corporate entities and development partners plus other stakeholders ought to ensure well-coordinated capacity development efforts combined with long term planning and smart spending to ensure proper resource targeting and creation of durable impact on the population.

The existing initiatives that have been devised by various stakeholders and are in line with capacity enhancement of Ugandans for the oil and gas sub-sector are plausible. However, the initiatives are somewhat not well-coordinated. The Petroleum Authority of Uganda is trying to create spaces for all these initiatives to connect more so with the focus on enabling their linkage with the industry so that the manpower produced is equally absorbed by the industry through connection to opportunities. This should thus be strengthened so that more Ugandans are enabled to access opportunities, which can go a long way in creating great positive impact on their livelihoods.

By Didas Muhumuza
Managing Editor Oil in Uganda ( & Extractive Governance Coordinator).

We capture the whole conversation
GOVERNMENT TO ESTABLISH PETROLEUM SKILLS DEVELOPMENT FUND

At least $44.7m will be injected in the fund in the next 8 years to prepare Ugandans for oil related jobs

By Edward Ssekika

The government plans to establish a Petroleum Skills Development Fund to increase the number of Ugandans with appropriate qualifications and skills to take up jobs in the oil and gas industry. The fund is expected to finance training and skills development for Ugandans to meet the standards required by the industry.

The proposal to establish the fund is contained in the workforce skills development strategy and plan for the oil and gas sector that was launched late 2018.

The aim of the plan is to maximise the quantity and quality of employment opportunities for Ugandans in the oil, gas and related sectors. According to the plan, the sector is expected to create at least 161,700 jobs at peak during the construction phase of the entire planned infrastructure for the up-stream and mid-stream developments. Of these, 14,000 will be direct, 42,700 indirect and 105,000 induced jobs. Once the construction phase is completed, there will be limited opportunities since the project will not require many people to run the facilities. However, most Ugandans are left out in jobs due to lack of requisite skills, qualifications and certifications.

A total of $44.7 million dollars (approximately Shs 163 billion) will be injected in the fund in the next eight years up to 2025. The Petroleum Skills Development Fund will have its resources replenished by allocating a percentage of revenue generated by International Oil Companies (IOCs) and Engineering Procurement and Construction (EPC) contractors and/or sub-contractors to dedicated training activities each year, the strategy paper reads in part.

To raise money for the fund, the government will levy a fee of two percent payable on the total gross emoluments paid to international employees and the total gross payments made in respect of labour-only contractors.

In its first five years of operation, the Petroleum Skills Development Fund will be supplemented by a straightforward tax on foreign workers. Such a levy would involve a single one-off payment of $10,000 imposed on all oil & gas employers for every foreign worker brought into Uganda who is not a national of the East African Community, according to the plan.

The Ministry of Finance, Planning and Economic Development, working in partnership with the Ministry of Energy and Mineral Development, will be responsible for designing and overseeing the mechanism for verifying and collecting these funds.

The National Content Steering Committee will oversee the fund. For this purpose, it will constitute a separate sub-committee.

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MUSEVENI, TULLOW BOSS MAKE A DEAL ON CAPITAL GAINS TAX

Tullow is set to sell a substantial part of its assets in Uganda to Total E&P Uganda and CNOOC Uganda - a farm-down process that attracts capital gains tax.

By Edward Ssekika

President Yoweri Museveni and the Chief Executive Officer (CEO) of Tullow Oil Plc agreed to deal that will enable the oil company to enjoy a phased payment of capital gains tax accruing from the sale of part of its assets in the Albertine Graben. Tullow Uganda Ltd – a subsidiary of Tullow Oil Plc – in January 2017 announced the sale of a substantial part of its assets in Uganda to Total E&P Uganda and CNOOC Uganda Ltd in a farm-down that attracts capital gains tax.

According to Tullow Oil Plc’s full year statement, the CEO Paul McDade and President Museveni met on January 19 2019 and discussed the issue of capital gains tax from the sale of part of the company’s assets in Uganda. The company’s full year results report was released on February 13 2019. The meeting was also attended by the CEO of Total S.A.

In the meeting, Tullow Oil agreed the principles for capital gains tax on its $900 million (approximately Shs 3.3 trillion) farm-down to CNOOC Uganda and Total E&P Uganda. Cabinet gave the farm-down a green light.

“Following meetings in January 2019 between the CEOs of both Tullow Plc and Total S.A. and President Museveni of Uganda, the government and the Joint Venture Partners are now engaged in discussions to finalise an agreement reflecting this tax treatment that will enable completion of the farm-down to take place,” the financial statement reads in part.

The report adds, “Any Capital Gains Tax is expected to be phased and partly linked to project progress. At completion of the farm-down, Tullow anticipates receiving a cash payment of $100 million and a payment of the working capital completion adjustment and deferred consideration for the pre-completion period of $108 million.”

A further $50 million of cash consideration will be made and is anticipated to be received when the Final Investment Decision is taken on the development project, possibly mid this year or thereafter. The deal is meant to avoid a possible dispute between government and Tullow Oil over the payment of the capital gains tax. In 2012, Tullow Oil was embroiled in a dispute with the tax body – Uganda Revenue Authority – over payment of capital gains tax following the farm-out by former Heritage Oil Uganda in favour of Tullow Oil Uganda, which led to protracted litigation. Uganda came out as the victor and the payment was effected accordingly.

Final Investment Decision (FID)


Mark MacFarlane, the Executive Vice President of Tullow Oil for East Africa, noted in the report, “This year the East Africa team will be driving hard towards two Final Investment Decisions on our East African projects which have the potential to deliver over 50,000 barrels of oil per day of net production to Tullow by the early 2020s,” he said.

MacFarlane emphasised that Tullow’s East Africa team is making good progress on delivering the potential that the projects offer.

GOVERNMENT TO ESTABLISH PETROLEUM SKILLS DEVELOPMENT FUND

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under the leadership of an independent chair endorsed by both the government and the international oil companies.

The Petroleum Skills Development Fund will have its own dedicated bank account to maintain a clear link between revenues and funds raised from employers and funds allocated to training activities. Without this clear link, international experience shows that employers will lose confidence that funds are being utilised effectively to address their specific skills needs.

In addition to the funds raised through the payroll training levy and one-off tax on foreign workers, the fund will be open to contributions from development partners or other agencies with an interest in pooling resources and contributing to the development of oil and gas skills among Ugandans.
BUHIMBA TECHNICAL INSTITUTE: PREPARING THE YOUTH FOR PRACTICAL TRADES

Students of Buhimba Technical Institute in Kikaube district, during a training on use of social media for advocacy conducted by ActionAid Uganda.

By Robert Mwesigye

An educational landmark is nestled in a serene environment of the newly created Kikaube District. Twenty-six kilometers outside Hoima Municipality, off the Hoima-Fort Portal Road, Buhimba Technical Institute (BTI) in Bihanda village, Buhimba sub-county, stands out with its neat architecture that strikes you at first sight as it seems to appear suddenly along a winding village road.

Well-manicured lawns welcome you to its serenity which is interrupted by sounds of clinking metal, just to the left of the neat compound are imposing structures which house workshops that are shaping tomorrow’s engineers.

It is all beehive activity with kitteh up students welding, piecng and cutting metal. The instructor, William Byaruhanga, takes us on a guided tour of the welding and metal fabrication workshop. Inside the workshop is an array of industrial machinery, including a hydraulic sheering machine and hydraulic rolling and bending machines. Finally he unveils what he considers the most precious piece, which he uncovers with a black canvass -the Magnaflux machine. Byaruhanga proudly says the machine was brought to the Albertine region because of oil.

"Even Masters students from Kyambogo University have been here to do research. We are the only ones with it," he says. The machine detects welding defects in joints and can de-magnetize metal.

The institution stands out in green scenery; in the far distance are undulating hills that provide for spectacular viewing. The ensemble of nature provides a conducive environment to concentrate as there is not much activity in the neighborhood to cause distractions.

Richard Okeng, the academic registrar, beaming with pride, is content Buhimba creates just the perfect environment for studying. "Our infrastructure is even user friendly for people with disabilities," he says, pointing at the ramps going up to the lecture rooms upstairs.

The training institute has also made a land mark in attracting and training women in areas previously dominated by the male gender.

Young women have warmed up to technical education that is predominantly a male domain. During the tour we realized a number of them kitted up in safety gear at different work stations.

Flavia Kobusinge, a second year student of welding and fabrication, says that women are molded to believe certain jobs are for only men. "I decided to pursue the course because the opportunities are immense. We stand high chances for employment in the oil and gas sector," she says. She however notes that the work can be strenuous especially when lifting heavy metal, though their male colleagues are always on hand to help.

"Even some of my family members did not approve me doing such a course but I am determined," she adds.

Twinomugisha Daphne, a student of building construction, says she enjoys what she does and is confident she has acquired skills.

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THE BIG STORY BEHIND THE EVICTION OF MUBENDE GOLD MINERS

By Edward Seelikwa

In the aftermath of the ruthless eviction of Artisanal and Small-scale Miners (ASM) from the gold mines in Mubende District on August 3, 2017, President Museveni said he had not given the directive but rather had only told the soldiers and other security agencies to be on standby.

Victims of that unforgettable day recount how security personnel had told them that the deployment was to support the process of registering the miners.

"However, when I awoke that morning I looked around the mines and it looked like a scene from a war movie. Tanks had been stationed on hill tops facing us. That day I thought the war was over," recounted Emmanuel Kibirige, an artisanal gold miner who has been involved in the trade for the last about 12 years.

Artisanal gold mining in Uganda takes place majorly in areas of Mubende, Busia, Namayingo, Buhweju, Karamoja and Bugiri. Whereas the 2006 geophysical aerial survey was not carried out in Karamoja owing to insecurity, gold mining in the area is mainly attributed to speculators. As such gold rushes are common in the sub-region as miners shift from place to place and, according to the Acting District Natural Resources Officer of Nakapiripirit, some mining companies that operate are not known whether they possess licenses or not.

Elsewhere, artisanal miners and big players such as mining companies have secured licenses to operate hence a semblance of order albeit a few cases of displacement and poor compensation of locals. In Busia for example, where the gold mining trade that dates back to the 1930s, has run in families across generations, there are about 5 location licenses held by artisanal miners who are mostly natives.

Vincent Kedi, the Principal Mining Engineer at the Directorate of Geological Survey and Mines (DGS&M) noted that ASMs in Busia are more organized which helps to facilitate the process fast.

"Whereas we have sensitized miners across the country about existing mining procedures, people in Busia are the only ones that have taken heed. The moment they discover an area with gold they immediately embark on processing a location license," he said.

However, the ASMs of Mubende learnt their lessons the hard way following the evictions in 2017. They have managed to set location licenses (about 11 of them to date) and are expecting more. This will enable them return to work legally.

In comparison however, Mubende is challenging. Over 95% of the people that operated in the mines were not natives which explained the population of more than 50,000 people. These included foreigners from neighbouring countries mainly DR Congo, Rwanda, Tanzania, Kenya and Burundi.

Interestingly, artisanal gold mining in Mubende dates as far back as the 1980s, according to the Kikungi Sub-county Community Development Officer, Edward Ssenkusu, also a born of the area.

"Around 1989, I always heard my father one Somanda Edward say that he was going to the mines at Kamalange and on several occasions, while visiting my aunt Nankusu, I passed Kamalange wetland and saw men carrying sacks of sand which contained the gold deposits," Ssenkusu says.

However, Gertrude Njuba, a bush war heroine, claims she first acquired this gold mining area of Mubende in 1986, "without the slightest hint of what lay underneath," according to reference of an interview by the Daily Monitor. Her company first acquired a location license for the area measuring about 207 square kilometers in 1997, and subsequently a mining lease for the area in 1994.

Battle for licenses

During a handover ceremony of safety gears to members of Sino Artisanal & Small Scale Miners Association (SASSMA) miners by ActionAid Uganda in 2016, the spokesperson then John Bosco Bulya said they had applied for location licenses in 2013 but were yet to get a response.

However, records at the DGS&M indicate that the area for which the miners had applied, having already been working there without a license, was licensed to AUC Mining (U) Limited on 20th February 2013, having applied on 22nd October 2012. The area measures 144,782 square kilometers.

The miners however argued that the original company, Gemstone International, originally had an exploration license for the area, whose duration was three years, of which upon expiration the company was expected to relinquish 50% of the area. Effectively, the
AUDITOR GENERAL FAULTS GOVERNMENT OVER IRREGULAR COMPENSATIONS FOR OIL REFINERY LAND

In a new value for money audit report, the auditor general notes irregularities such as outdated and unapproved compensation rates, delays in compensation, and the resettlement contractor setting its own compensation rates.

By Edward Sekika

The Office of the Auditor General (OAG) has faulted the Ministry of Energy and Mineral Development (MEMD) over the manner in which it implemented the Resettlement Action Plan (RAP) for the oil refinery land acquisition in Hoima.

In a new value for money audit report about the Resettlement Action Plan (RAP) for the oil refinery land in Kabale, Buseruka sub-county, Hoima District, the OAG report reveals that the process was marred by numerous irregularities and illegaliies.

According to the report, the irregularities ranged from using outdated and unapproved compensation rates, delays in compensation to the contractor – Strategic Friends International (SFI) – setting its own compensation rates.

The report concludes that it was illegal for government not to use the current rates in compensating the project affected persons, and that failure to provide compensation within the prescribed time was one of the critical flaws.

At least 7,118 people in Kabale parish were displaced to pave way for the land acquisition for the proposed refinery and attendant infrastructure.

"Despite the social sensitivity of the exercise and the substantial investment in the project to a tune of Shs 86.78 billion, there are concerns that the eight months’ compensation project which began in June 2013 and was expected to have ended by February 2014, is still far from completion with significant delays in compensation," the report says.

The value for money audit was meant to assess whether MEMD adequately compensated the project affected persons in a timely manner.

The report covered six financial years from 2011/2012 to 2016/2017 and faults MEMD for the unexplained delays.

For instance, out of the 2,657 project affected persons, only 104 (four percent) were paid within the prescribed timeframe of six months after assessment and valuation of their properties.

"There were significant delays ranging from less than 6 months to over 2 years to compensate the remaining 2,553 (96%) of project affected persons. Consequently, by the time they received their money, the price of land in neighbouring villages had risen significantly, making it difficult for them to acquire land of equivalent size," the report says.

The report also faults SFI - the company that conducted the RAP, for failure to follow the procedures of valuating property of permanent nature such as land and buildings as prescribed by the Chief Government Valuer. The procedure was not followed in valuation of customary land in five villages of Nyamasoga, Nyahaira, Bukoona A, Katoole and Kayera.

"The value of customary land was overvalued in two (2) villages and undervalued in three (3) villages. These anomalies resulted in a loss of Shs. 295,750,800/= to government and Shs. 16,172,100 to the PAPs, respectively,” the report reads.

The rates used to compensate almost all project affected persons were not approved and therefore illegal. "Whereas compensation commenced in 2013/14, the rates used were for the year 2011/2012 which were unapproved and obsolete," the report reads.

The report highlights that compensation rates were not applied uniformly. For instance, 43% of sampled project affected persons had their crops valued at rates different from the rate recommended by the Hoima District Land Board.

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EVICTED GOLD MINERS IN MUBEende ACQUIRE LICENCES, SET TO RETURN TO THE MINES

By Edward Seekika

A woman panning to collect gold ore in the gold mines of Mubende. Photo by Josephine Nnabdale

fter a year of protracted struggle, evicted gold miners in Mubende and Kasanda districts have finally acquired mineral licences. Bukya John Bosco, the Chairperson of Mubende United Miners Assembly (MUMA) – an umbrella association of artisanal and small scale gold miners - told Oil in Uganda that the Directorate of Geological Survey and Mines (DGSM) in the Ministry of Energy and Mineral Development has already granted 11 mining associations location licences to prospect and mine for gold in the two districts.

In August 2017, an estimated 60,000 miners in Mubende were evicted from the mines on grounds that they were conducting illegal mining activities and destroying the environment. President Yoweri Museveni ordered the eviction.

“We applied for 23 location licences. So far we have received 11 licences, we are expecting the remaining 12 soon,” Bukya said. He applauded different stakeholders mainly Civil Society Organisations for the support they rendered towards the acquisition of mineral licences. “We are currently negotiating with the land owners for surface rights,” he added. “Associations that have licences are even free to go back and start mining. However, we want to first get all the licences to enable proper legal return to work by the former illegal miners,” he said.

A location licence entitles the ASM to conduct legal mining activities. It is granted where mining operations donot involve more than Shs 10 million. According the Mining Act, 2003, a location licence is valid for two years but renewable and it is granted in case of an individual, to Ugandan citizens and for a corporate body where Ugandans hold at least 51 percent beneficial ownership of such a body.

ENTER MUSEVENI

The issuance of the location licences and expected return to the mines follows President Yoweri Museveni’s letter in which he directed AUC Mining – a company with a mining lease over the area – to relinquish 30 percent of its licence. In a letter dated April 6, 2018, the president directed Irene Muloni, the minister of Energy and Mineral Development, to renew the exploration licence of AUC Mining (U) Limited in Bukuya and Kitumbi sub-counties in Mubende District. The company is linked to bush war heroine and Presidential Advisor, Gertrude Njuba.

“On 13th, June 2017, I chaired a meeting at State House to discuss the challenges miners were facing in Mubende District following the occupation of the mining areas by illegal miners. The meeting was attended by government officials and directors of AUC Mining (U) Ltd,” President Museveni wrote.

He added, “During the meeting, the company requested among others, for the renewal of their exploration license areas in Mubende District where exploration work was disturbed by illegal miners. The company requested that 100% of their license locations be renewed for a period of 5 years as compensation for the time lost and for spoilt work.”

However, Mubende United Miners Assembly and the Federation successfully shared the 30% the president allocated to ASMs.

BENCH MARKING TRIP

According to Bukya, the Directorate of Geological Survey and Mines (DGSM) in the Ministry of Energy and Mineral Development (MEMD) has organised a two-week benchmarking trip for artisanal and small scale miners in Mubende and Kasanda districts. The miners will tour mining areas in Rwanda and Tanzania to pick lessons on responsible and sustainable mining.
MUSEVENI EXPELS FOREIGN GOLD MINERS IN MUBENDE AND KASANDA

A miner in Kasanda Mining area scrutinizing gold bearing stones

By Josephine Nabaale

President Museveni has ordered foreigners who had flocked the gold mines in Mubende and Kasanda districts to vacate on grounds that foreign countries were benefiting more from the trade in gold than were Ugandans. He gave the order during the youth day celebrations on 16 November 2018 in Kikundu village, Kalwana sub-county, Kasanda district, where thousands of artisanal and small scale gold miners were evicted.

Museveni said that the eviction of foreigners was inevitable because foreign countries were gaining from the mines more than Uganda. Many of the miners in the Mubende gold mines were non-citizens, which made the government lose revenue.

“The Congolese, Rwandese and Tanzanians who had come here for gold should first leave the country. Forests, lakes, rivers, gold and other minerals below the ground belong to all Ugandans. Individuals are not allowed to utilise these deposits without the consent of government who is the sole manager of these treasures,” Museveni said. “Unfortunately these artisanal miners went ahead to invade the gold mines in Mubende district, which had been licensed to AUC Mining company thus destabilising their activities.”

President Museveni insisted that artisanal and small-scale miners were a hindrance to the investor and government could not look on while resources meant to benefit all Ugandans were being exploited by foreigners and a few Ugandans. “We cannot accept the artisanal and small-scale miners to destabilise the investor who legally has a license.”

Genesis

When the artisanal and small-scale miners who were evicted from the Mubende gold mines in August 2017 attempted to return, the president directed that they receive 30% of the exploration license area. But more than a year later, they had not yet been given their share of the concession.

The eviction of the miners came up following the presidential directive to evict them from Mubende gold mines on grounds that they were not registered, that the government did not know the amount of gold they were extracting, that the miners operating in those areas were not Ugandans, and that there was increased environmental degradation which was a threat to the nearby communities.

However, the then Permanent Secretary of the Ministry of Energy and Mineral Development, Dr. Stephen R. Izabaliirwa, in a letter dated 2 August 2017, titled “statement on illegal mining activities in Uganda,” explained that government was putting in place strict measures where all the local artisanal and small-scale miners in Kikumbi and Bukuya sub-counties would be registered so they can be organized into groups for effective regulation. The evictions that ensued to enforce the President’s directive sparked off the situation that led to the decision to expel all foreign miners.

AUDITOR GENERAL FAULTS GOVERNMENT...

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The report

"According to the report, the RAP study indicated that there was a total of 7,118 PAPs but there was no documentation on how the PAPs were identified, neither was there a list to show all the PAPs due to the absence of primary data," the report reads.

There was also a variance between the number of project affected persons reported during the census and those that were actually paid. A total of 2,473 people were identified during the RAP process while 2,657 were actually paid. This raises the possibility 184 illegal payments.

The report explains that despite being the same year, compensation rates were not applied uniformly. For instance, a random sample of 44 project affected persons from the four villages of Nyamosa, Irayapoi, Kitegwa, and Nyahaira indicated that 19 had their crops valued at rates different from those recommended by the land board.

Three people in Nyahaira village had their rate of an acre of medium cassava valued at Shs 2.5 million while three in Nyamosa were given Shs. 520,000/= per acre of cassava—a difference of Shs 2 million.

The report attributed such anomalies to the inadequacy of the rates that were compiled by the Holma District land board. The category of crops and trees at medium stage of growth such as cassava, beans, ground nuts, rice, red pepper, maize, neem tree, as well as Ulu and Odik trees were not provided for on the schedule of compensation rates.

The problems with compensation rates presented an opportunity for the consultant to set rates at his discretion which could have resulted in over- or under-payments arising from the irregular valuation.
FRUSTRATION AS SMALL-SCALE MINERS AND GOVERNMENT FIGHT OVER MINING LICENSE

The E-mineral license system launched to ease some of their grievances

By Edward Ssekka

On 25th September 2018, a meeting between representatives of artisanal and small-scale miners and officials of the Directorate of Geological Survey and Mines (DGSM) went awry during negotiations to share 30% [61 sq.km] of a mining lease in Mubende District.

Following the eviction of about 60,000 miners from the gold mines on 3 August 2017, President Museveni directed AUC Mining to whom the area is licensed to relinquish 30% of it to the artisanal miners. The DGSM in the Ministry of Energy and Mineral Development has the responsibility of implementing the presidential directive. However, progress has been slow.

During the September meeting, Zachary Baiguna, the Director of DGSM, is reported to have shown up armed with cadastre maps of the contested area and simply directed where the miners would be allocated. This parted from the earlier position where AUC Mining representatives and the artisanal miners would mutually agree to the arrangement after inspecting the site together.

“We know that area well after working there for years, so there is no way we are just going to be pushed around and be given bread crumbs,” said John Bosco Bukya, a representative of the miners.

The meeting turned rowdy as the miners demanded to talk to the MEMD Permanent Secretary, who was unavailable. Explaining the bizarre turn of events, Vincent Kedi, the Principal Mining Engineer, said the meeting, which had not gone as expected, had been relocated to Kampala for security reasons. Earlier on, speaking on behalf of the Commandant of the Minerals’ Police Protection Unit, Edison Muhangi, Kedi had read a notice from MEMD to the Commandant about a scheduled meeting in Kassanda sub-county on 25 September 2018.

“The meeting was relocated to Kampala for security concerns,” Kedi said at a mining conference where miners had just raised the issue, arguing that there was lack of goodwill by government officials to effect the presidential directive.

Kedi’s reference to security concerns perhaps stemmed from an incident on 21 March 2018 when, during one such meeting attended by Hon. Peter Lokere, the State Minister for Mineral Development and Zachary Baiguna, among other officials, turned rowdy after the latter informed miners that a new site in Kalwokakika village in Madudu sub-county where they had been previously allocated was in fact not that well-mineralized.

An angry miner charged at the Director but was restrained by his colleagues. Sanity was only restored at the heated meeting by Lokere, who explained that he too was once a miner and felt their pain.

Kedi cornered at mining conference

Following the botched meeting at the ministry, Kedi made a late entry to an All People’s Conference on Mining in Uganda at Hotel Africana. The conference, focusing on concerns of artisanal and small-scale miners, was organised by Global Rights Alert, ActionAid Uganda, Publish What You Pay and Oxfam Uganda.

Kedi should have read a keynote address by Minister Lokere but was not present. The void was filled by Michael Mawanda, the Igara East Member of Parliament. Kedi was consequently tasked to respond to some questions that had been raised by participants, addressing a wide range of issues on mineral licensing, in particular the thorny issue of relocating the evicted miners in Mubende. Kedi advised the miners to acquire location licenses as they only way to safeguard their rights and interests.

Patrick Nsamba, the Kassanda county MP, criticised Kedi for the lack of urgency in solving the miners’ concerns.

“You sit in the comfort of your offices and summon these poor miners for meetings in Kampala yet you have state resources at your disposal. Why don’t you go to meet these people? The attitude you are exhibiting here resonates in all government business and you take these things lightly,” Nsamba said.

Online mineral licensing system to boost efficiency

The e-government mineral licensing system will boost efficiency in management and revenue collection, according to Kedi. It will provide for online transactions and will ease tracking of compliance by mining entities.

The system will as well improve inspection functions at local government level where officers in charge will be able to log in complaints about mining activities in their locations.

“The major reason for this migration is to increase our efficiency. We want to control large scale and small scale mining in the country and also attract major investments,” Kedi said at the All People’s Conference on Mining. The system will ensure improved production and royalty monitoring as well as import and export monitoring.

“When we issue you with an export permit it will be reflected in the system because it will be system generated. When you go to any customs border point, the customs office should be able to log into the system and get your details. The system will be integrated with the Uganda Revenue Authority system. An officer will be able to verify the export permit,” Kedi said.

This development will be a welcome relief for government as it seeks to position the mining sector as a major driver of economic development. A report by the Office of the Auditor General of 2016/17 indicated a variance of 8,674,719 kgs between the MEMD declaration (16,281 kgs) and URA records (8,691 kgs). Similarly, the 2015/16 financial year highlighted a variance of 5,223 kgs of gold exports between the 93 kgs of gold awarded export permits by MEMD and the 5,316 kgs of gold recorded by URA as having been exported.

The discrepancies in figures are an indication that loopholes in monitoring of mineral exports and imports in the mining sector are being exploited, which the online system should be able to plug.

At the launch of the online portal, Commissioner of Mines, Agnes Alaaba Kute Serena said: “In addition to these productivities wins, the online mineral licensing system will significantly enhance our revenue collection abilities. Not only will the online system assist in attracting additional responsible investments, but it will also enable the DGSM to close the net on non-compliance by various players in the sub-sector.”
YOUTH IN OIL-RICH REGIONS CRY OUT OVER INJUSTICES

Godfrey Byaruhanga is the youth Chairperson of Buseruka sub-county in Hoima District. Six years ago, as a young man who had just acquired a diploma, he returned home in Kitegwa village, Kabaale parish, only to face new developments regarding government acquisition of 29 square kilometers of land for the proposed oil refinery and other facilities in his home area.

The Kabaale area was designated to host the planned oil refinery and a host of other related developments such as a new airport and crude oil holding area. The reality on ground then was that the communities were not well prepared for all this and were hit hard by the disturbances including the displacements, resettlement and consequent irregular and unfair compensations.

Byaruhanga, who says he draws his charisma from his mother, a Catechist, and an uncle, who is the Local Council (LC) 3 Chairperson of Buseruka sub-county, decided to take the initiative. He mobilised colleagues from 13 villages and formed the Oil Refinery Residents Association for which he is the current Secretary General.

“Our purpose was to speak for the voiceless because government and the local leaders were just doing things without even consulting the local people,” he said.

The association needed guidance in advocacy so they approached a local NGO in Hoima called Navigators of Development Association (NAVODA), to chart for them a way forward. NAVODA supported Byaruhanga and his group to sensitise the community and create awareness about what was going on in their area. Their cause got a financial boost from the African Institute for Energy Governance (AFIEGO) which exposed the plight of the locals through the media.

“When our voices grew louder, the intimidation by state agents started. The Resident District Commissioner of Hoima said we were saboteurs of development and they even tried to co-opt me but I stood my ground”, says Byaruhanga.

“One day they called us for a meeting at the sub-county. When we got there we were all surrounded by military personnel who were planning to transfer us to Hoima. Some of us who had smart phones tweeted about the incident which was then picked by AFIEGO. Before long the media started arriving to cover the arrest and it was abandoned,” he says proudly.

The breakthrough came when an official from the Ministry of Energy and Mineral Development contacted Byaruhanga for an engagement. A beaming Byaruhanga says together with his colleagues, they further plotted to get rid of the local leaders that had been collaborating with their tormentors.

“As of now, the LC I Chairpersons of all the 16 villages of Kabaale Parish are youth members of our association. We have also managed to secure jobs for many of our youth with SBC/ SBII, the company constructing the Hoima airport in Kabaale,” he says.

“If we do not fight for ourselves, no one will fight for us. People have preyed on us for long but not anymore. Now at least we are consulted before things start happening in our area,” says Byaruhanga.

Indeed, during a training workshop on transformative leadership and creative activism for the youth in Buseruka, Kabwoya, and Kiziranrombi sub-counties, young people demonstrated that they were fed up of their disenfranchisement.

Since the advent of oil and gas activities in their areas, several projects have started and more are in the offing. These projects, however, have had devastating effects on some of the communities.

Such negative effects include the land evictions in Rwamutonga for the planned establishment of a waste management facility by a private company and in Buseruka where the government secured 29 square kilometers of land for the construction of an oil refinery.

One of the facilitators at the training workshop, Jackson Etwop, told the participants that the first effort towards development was to embrace personal change than pointing at others as the source of their frustrations.
UGANDA GETS FIRST LARGE SCALE MINERAL DEVELOPMENT PROJECT

By Robert Mwesigye

The Sukulu Phosphate Comprehensive Industrial Development Project has become the first privately funded large scale mineral development project following its commissioning in the eastern district of Tororo, Uganda.

The $620 million complex financed by the Industrial and Commercial Bank of China (ICBC) is located along the Malaba-Tororo road in Rubongi and Oskuru sub-counties, Tororo District.

The fertiliser production plant, which is phase one of the Uganda-China Free Zone of International Industrial Cooperation, will introduce the first purely organic fertilisers on the local market and produce 50,000 tons per annum at the start. This will grow to 100,000 tons as demand grows. The plant has a capacity of up to 300,000 tons at peak production per annum which will be achieved with time as the company gets more market across the region, according to Jane Guo, the chief executive officer of Dongsong Energy Group.

Speaking at the commissioning ceremony on 23 October 2018, Guo said the plant was a symbol of the comradeship between the people of China and Uganda. She said the plant had already employed 1,400 people who will increase to between 3,000 and 4,000 by the end of the second phase.

Irene Muloni, the Minister for Energy and Mineral development, said this was the first large scale mineral development project in the country, comprising extraction and processing of metallic and industrial minerals and gemstones.

The first of the project will involve production of fertilisers, steel, glass, bricks and cement. The second phase will add niobium and rare earth elements. The glass and steel factories will open in July 2019.

The Sukulu project will house 12 plants for mineral dressing, phosphate fertilizers, steel, glass, tin smelting, and shea butter.

Sukulu mineralization

In 2013, the government awarded a 21-year mining lease to the company following the discovery of large mineral deposits. The lease is extendable for another 15 years to develop Oskuru hills into an industrial complex. Among the mineral deposits are 213 million tons of iron ore and 1,097 million tons of rare earth elements.

Muloni said Dongsong Energy Group was granted six licenses and are in line to get 13 more licenses for mineral production. The company has an exploration license that covers 27 square kilometers and a mining lease that covers 112 hectares in Oskurus.

The project is an economic boost to the region which already boasts of Tororo, Hima and Simba cement plants, Namekara vermiculite mine, and Wagai mining company that has discovered huge gold deposits in Busia, among others. The vermiculite mine is thought to be the largest and one of the highest grade vermiculite mines in the world.

Muloni pledged that government would sustain the enabling environment for investors to ensure a good return on their investments and to earn Ugandans optimal benefits from the mining sector.

President Museveni said the project was delayed because of lack of funds to compensate those who were displaced by the development.

"I gave it to the China Clay Group before but they had no money to compensate the people. When I talked to the Chinese they said no problem," he said.

He noted that the Sukulu project would save the country a lot of money. "In 2013 alone, Uganda spent $50 million on fertiliser imports. We have been spending $32 million yearly on importing glass. In 2014, Uganda spent $403 million on iron and steel imports. The average of all these is $377 million per year. All these imports will stop," said Museveni.

The fertiliser project has the potential to supply and satisfy the needs of Common Market for Eastern and Southern Africa region.

PUTTING AFRICA’S DEVELOPMENT MINERALS UNDER THE SPOTLIGHT

Zambia hosted the inaugural International Conference on Artisanal and Small-scale Mining and Quarrying (ASM18) on 11-13 September.

Over 450 delegates participated in this global dialogue on development minerals. They discussed the development opportunities and challenges of artisanal and small-scale miners and shared visions of the future for the sector.

It was a landmark conference recognising the potential of development minerals as the engine of Africa’s industrialisation and modernisation. Development minerals include industrial minerals, construction materials, dimension and semi-precious stones, and agro minerals like phosphates and vermiculite.

The conference, an initiative of the ACP-EU Development Minerals Programme, aimed to improve the management of development minerals while building knowledge and awareness about them. Uganda is one of the six focus countries for the ACP-EU Development Minerals Programme. Its activities include training and small grants and partnership building to strengthen the value chain of development minerals.

Uganda’s mineral and mining policy of 2018, which was approved recently, recognises the importance of development minerals in boosting the economy through industrialisation. The policy recognises these as minerals and aims to realise their economic potential.

The country has in the past few years seen an influx of foreign investors, particularly Chinese, venturing into lucrative sand mining which has made national headlines and drawn the fury of local leaders. The activity has gone on unregulated and experts have cited environmental implications if sand mining continues unregulated.

According to a baseline assessment of development minerals in Uganda undertaken in March 2018, up to 400,000 Ugandans who are directly employed in ASM production of development minerals are three percent of the working age population. Yet, whereas 84% of development minerals extraction is attributed to ASM, its contributions to local economies and employment go largely undocumented.

Opportunities

With an infant oil and gas industry in Uganda that requires highly technical skills and specialised knowledge and an agricultural sector that is largely subsistence, the ASM sector provides immense opportunities for employment and growth due to its inclusiveness. Uganda’s population is tending towards 40 million with a high unemployment rate of 22%. ASM provides an opportunity for job creation to particularly address the problem of youth unemployment rate of 65% of the unemployed people in Uganda.
Government has approved plans of elevating Hoima municipality to a city status. The oil-rich Hoima district in 2013 passed a resolution asking the central government to elevate Hoima municipality to an oil city status.

Hoima district has commercially viable oil and gas fields of Mputa, Ngassa and Naizi.

The consultation process by the Ministry of Lands, Housing and Urban Development started early this year with a visit to Hoima district where technocrats interfaced with various stakeholders.

The city will come with more opportunities in terms of employment, grants, projects and improved service delivery, says the Hoima Town Mayor Grace Mary Mugasa.

The oil discovery has attracted many people into Hoima town and the increased population has come with demands for more accommodation, employment and social economic services, she says.

Many investors and jobs seekers have arrived in Hoima with a hope of benefiting from the unfolding opportunities in Uganda’s fledgling oil industry.

The increased population has created pressure on Hoima municipality to cater for the social economic needs of the increasing population. The proposed city will cover 228 square kilometres, the current size of Hoima municipality.

Hoima municipality consists Kahoora, Mparo, Bubesi and Bujumbura divisions.

"Cabinet position is to have two city divisions. Hoima Municipal Council Mayor, Executive and the Technical team together with the District leadership held and meeting with the Commissioner Ministry of Local Government and agreed to merge the four Divisions to form two divisions” says Jimnex Businge, the Hoima Deputy Mayor.

He says Hoima municipal council will determine the city Divisions and their names as soon as possible. The city is expected to become operational in the next financial year.

Pending council approval, we plan to have the Northern Division and the Southern Division, he says.

"Let's all embrace this new development and work hand in hand to tap into the opportunities that come along with the city” Businge says.

Following the oil and gas discovery, Hoima has witnessed the mushrooming of many Hotels, many people are coming to invest in Hoima and well paved roads being constructed under a World Bank-supported initiative, Uganda Support to Municipal Infrastructure Development (USMID) Project.

Hoima is one of the 14 municipalities in Uganda that has received funding under USMID. The project is worth 150 million dollars and it started and in the 2013/2014 financial years.

As more opportunities unfold, the influx of many new people with different habits and unknown intentions have increased especially robbery, burglary, thefts and other criminal acts, the Municipal Council says.

There is emergence of prostitution in the town and land is becoming more expensive making it too hard for low income earners to acquire it, Businge says.

He notes that there are some people who have become lazy anticipating getting free oil money. A lot is being done in sensitizing the community around town to prepare them well and change their mindset for the better, he says.

To prepare for the city status, Hoima municipality has developed a detailed physical development plan.

All activities being done now are geared towards improving and migrating from Municipality to city, Businge says.

Under the USMID Project, key technocrats have received capacity building in professional courses that are relevant to their fields. We are planning for a smart city through a partnership with other developed cities like Yokohama, Businge adds.

Hoima town has tarmed most roads within the town centre and installed street lights which were non-functional before the discovery of oil in the region. The town has developed a drainage master plan of the city and greening and beautification of the town is underway.

Hoima Municipal Authority regulates activities undertaken in the Central Business District (CBD). The municipality has prohibited town dwellers from residing in arcades and other commercial premises.

According to the town mayor, commercial zones were planned for business purposes and not for accommodation. The municipality has gazetted stages in the town centre and all Boda Boda cyclists are required to register before being allowed to operate in town.

The municipality has also stopped hawkers from operating in the CBD and unregistered and unlicensed Boda Boda cyclists will be barred from operating within the town centre.

The town has also condemned several old and dilapidated buildings which are in the town centre. They have to be put down and replaced accordingly.
ARTISANAL AND SMALL SCALE MINERS ABANDON GOLD MINING IN NAMAYINGO

Artisanal and Small-scale Miners abandon mining in Namayingo: They blame it on depleted gold reserves

By Josephine Nabaale

Artisanal miners in Namayingo District have abandoned gold mining sites due to diminishing gold deposits in the area. As a result, many remain unemployed as this activity was a source of income for the majority of residents in the district.

Mukose Ayub, a gold miner at Nakudi mining site in Banda sub-county explained that over the years, gold deposits have become scarce, with a discovery rate of only about one gram of gold per day.

"Since 2014, we have been struggling. Today we get just about one gram after a day’s long work which costs only Ushs100,000/= This cannot cater for our needs and business expenses."

He says some miners have resorted to recycling residues which were left behind by other miners while many have been rendered jobless. Many have resorted to other businesses and abandoned mining altogether. According to Muganza Emmanuel, the District Natural Resources Officer of Namayingo, gold mining in the district has been a major source of employment for many youth, but he is alarmed by the drastic fall in the number of youth operating in this area.

"Namayingo District has for more than 15 years employed close to 120,000 artisanal miners in the various gold mining sites at Banda, Buyinja and Sigulu sub-counties, being involved in digging, panning and gold trade. To-date, the number has suddenly reduced to a total of 200 artisanal miners," Muganza explained.

Budde mining site in Buyinja sub-county had 200 artisanal miners but currently has 35; Buyanga mining site at Sigulu sub-county which had 200 miners currently has 40. Buhere mining site in Banda sub-county had over 100 but are now 50, while Nakuddi that had 6,000 artisanal miners today has only 20. Some of the gold sites such as Buchwanga in Banda sub-county have been fully vacated.

No machinery for support

This reduction in the number of miners has partly been attributed to the lack of machinery to crash the hard rocks covering deeper gold deposits. Previously the artisanal miners operating in this area would use rudimentary tools like hoes, shovels, spades and axes to extract the gold which was near the surface. But this method is no longer effective for extracting gold from the deeper earth.

Many former ASMs have ventured into other businesses like riding boda bodas while others lie idle. For this, Muganza has called upon government to intervene by providing machinery to support the mining activities, lest there may be an increase in crime.

Background

The sites mined in Uganda have differentiated ecologies ranging from fragile aquatic areas to fertile agro-ecological zones and rocky areas. With the exception of Kitita, Kamalengera (all in Mubende), Tiira and Amonikakine mining sites (in Busia), where gold is being recovered from sands (hard rock), most of the gold is recovered from alluvial material and potential agricultural fields. Particularly, the gold mined in Bulweju is located in small, high grade alluvial deposits around the Proterozoic basin and in the wetland ecosystems, making it highly risky to the environment and human health, according to the National Environmental Management Authority.

Artisanal gold mining is one of the emerging informal economic activities providing alternative livelihood options to thousands of people globally, with close to 25 million miners and about 150 million people indirectly dependent on artisanal and small-scale mining.

This trade has experienced explosive growth worldwide in the recent years due to the rise in mineral prices. An estimated 40.5 million people were directly engaged in ASM in 2017, up to 30 million in 2014, 13 million in 1999 and 6 million in 1993. That compares people working in industrial mining in 2014 according to the IISD (International Institute for Sustainable Development, 2017).
SHS 125 BILLION WITHDRAWN FROM THE PETROLEUM FUND IRREGULARLY – AUDITOR GENERAL

Auditor General notes the money was withdrawn from the petroleum fund without following procedures laid down in the Public Finance Management Act, 2015.

By Edward Sekika

In his latest report to Parliament, John Muwanga, the Auditor General, has faulted the Ministry of Finance, Planning and Economic Development (MoFPED) for irregular withdrawal of Shs 125bn from the Petroleum Fund. In the report to Parliament for the Financial year ended 30th June 2018, the Auditor General notes that money was withdrawn from the Petroleum Fund and transferred to the consolidated fund in total disregard of the Public Finance Management Act, 2015. The 450-page report containing the disturbing news was released in December, 2018.

Section 59 of the Public Finance Management Act, 2015, requires that withdrawals from the Uganda Petroleum Fund to the Uganda Consolidated Fund be made under authority granted by an Appropriation Act. Section 59(3) of the Public Finance Management Act, ring fences petroleum revenues to financing infrastructure and development projects only. However, from the report, it is not clear what kind of expenditures the money was used for.

“I noted that management transferred Uganda Shillings 125 billion on 2nd November 2017, from the Uganda Petroleum Fund to the Consolidated Fund, without explicit mention of the Uganda Petroleum Fund in the Appropriation Act, as a source of funding,” the report reads in part. Instead, the withdrawal was premised on the medium term expenditure framework for the financial years 2015/16-2021/22 submitted to parliament which includes the different sources of revenues financing the budget.

“In the absence of guidance from the Appropriation Act, which would indicate the activities for which the funds have been budgeted, there is no assurance as to whether the funds were used to finance infrastructure and development projects of Government, as provided for under Public Finance Management Act, 2015,” the report says.

According to the report, in response, the Ministry of Finance explained in the management letter that the Appropriation Act, provides for only expenditures but does not reflect the various sources of funding for the budget, and that discussions are ongoing to review the presentation of the Appropriation Act to incorporate funding sources.

In the report, the Auditor General advised the responsible ministries to align the legal framework to sufficiently provide for a format of the Appropriation Act which shows the purpose, activities and amounts of the Petroleum Funds to be appropriated under the Consolidated Fund, or to be transferred to the investment reserve account.

The Auditor General revelations continue to cast doubt on government’s willingness to transparently manage oil revenues. For instance, in 2017, a report of the Committee on Commissions, Statutory Authorities and State Enterprises (COSASE) revealed that $633.7 million dollars (approximately Shs 2.2 trillion) oil revenues had been spent under unclear circumstances.

The COSASE report didn’t give details how and where the money had been spent, but the Secretary to the Treasury in a letter stated that it was spent on the construction of Karuma hydro power plant. However, the cabinet approved the country’s ascention to the membership of the Extractive Industries Transparency Initiative (EITI) thereby providing hopes for more transparency and accountability in the extractive sector, only if the initiative shall be properly applied to its true purpose.

THE BIG STORY BEHIND THE EVICTION OF MUBENDE GOLD MINERS

Continued from Pg6 company had not done any exploration because the miners occupied the area.

In a dossier by AUC Mining UJ Limited presented to the President making their case as the rightful licensed party for the disputed area, they indicated that the miners had interfered with their work where they had marked sample sites from which they extracted data.

“The miners actually started invading the area after discovering the company had discovered samples of gold. The local people that were employed during these geophysical studies spread the word and people started flocking the area,” Kedi said.

Anthony Kinene, the Natural Resources Officer of Mubende and home of the area, says the first official report of artisanal gold miners in Mubende was in 2012 when the numbers became astronomical. According to the dossier, the company had spent close to 57 billion shillings on geological activities and paid at least 100 million shillings in taxes.

Politics, security concerns

In the aftermath of the evictions, miners said the President had betrayed them and he occasionally made verbal pledges that Mubende miners were safe and would continue to work without interference.

John Bosco Bulya said that during the President’s state of the nation address of 2016, he had given them assurance that they were safe and would continue working. Following the evictions, the desperate miners said the president had all along been using them as political capital. Word of impending evictions came in early 2017 when there was a reported directive from the President for the miners to vacate the mines.

On two occasions, the area Members of Parliament including Hon. Betty Kamugwanya and Hon. Patrick Nsamba coordinated meetings to have the president visit the area and speak to miners but to no avail.

Legally however, the miners save for those belonging to Kayanza-Ritumbi Miners...
THE BIG STORY BEHIND THE EVICTION OF MUBENDE GOLD MINERS

Continued from Pg15

Association who were already licensed, were not supposed to be occupying the mines. The then Permanent Secretary of the Ministry of Energy and Mineral Development, Dr. Stephen Isealiya claimed during a stormy session before the committee on natural resources in parliament that the miners posed a security threat and government had to act fast. Claims of wrong elements posing as miners had been rife. Indeed among the over 70 people arrested during the evictions that were seen by a legal team assembled by ActionAid Uganda, nearly all were found to be foreign nationals from neighbouring countries.

Making a come back

The evictions sparked outrage countrywide but unsurprisingly the President would give the miners an ear. The first attempt to meet him during an address on radio in Mubende failed when he promised them a meeting at a more appropriate time.

Indeed on September 26th 2017, the meeting happened at State House, Nakasero where security officials led by then Inspector General of Police, Gen. Kale Kayihura; energy ministry officials and miners’ representatives convened at what turned out to be a heated affair between the miners and representatives of AUC Mining Company.

The company representatives were unyielding and would not back down even when the President asked Moses Masagazi, a partner in AUC Mining company, to relinquish part of the area to the miners. It is reported that during the meeting, the company representatives claimed that they had to be compensated with Shs 2 billion for a 10 square kilometer area in Madijo Sub-county that had been proposed for relocation of the miners. As the technocrat on ground, Anthony Kinene disputed the claim, adding proof that the proposed area was never part of that license.

Following protracted negotiations, the President directed Hon. Irene Moleku, the Energy Minister that AUC Mining relinquish 30% of their area to the miners. There was however a hitch, when it turned out that the letter was addressed to an unknown group of miners posing as the Federation of Artisanal Miners of Uganda. On investigation it was discovered the federation was in fact headed by the late Stella Njuba, daughter to Gertrude Njuba.

Fresh Fight

The miners, under their umbrella association, Mubende United Miners Association (MUMA) which brings together 21 associations, had put up a fresh fight, which however culminated into fresh negotiations and later concessions to share just 10% of the 50% because by now they were running low in energy and desperate to return to work.

Gradually the miners started to make a breakthrough, with their major milestone being a meeting with the Operation Wealth Creation boss, and the president’s young brother Gen. Salim Saleh at Serena Hotel in Mutundwe. According to Bukya John Bosco, the meeting was very cordial and Gen. Saleh pledged that the miners would soon resume work.

“We are now in advanced stages of receiving location licenses as members of MUMA; everything is in order now after we came to an understanding with the Federation,” the MUMA Chairperson Bukya John Bosco said.

The negotiations through different power holders paid off as the miners were eventually granted permission to return to Kasanda district mining gold areas, specially in Katugo, Kitoma, and Nfuka all located in Kitumi sub-county. They have secured 15 location licenses and expect about 15 more, which puts them in a safe position to resume mining legally.

PROPOSED OIL EXPORT PIPELINE ROUTE FUELS LAND CONFLICTS IN THE ALBERTINE REGION

A proposed construction camp in Katikara sub-county, Kakumiro District is among those causing conflicts within the host community

By Edward Ssekika

Wesige John Bosco has lived on his land for more than 30 years after inheriting it from his father. A resident of Kasamba village, Kakumiro sub-county in Kakumiro District, Wesige says for all the years he has spent on the land, he never knew that his land was titled. “I had never heard of a farm even somebody claiming to be my landlord, I own this land customarily,” he explains.

All was well until early this year when his land and that of his neighbours was identified to host a site construction camp for the East African Crude Oil Export Pipeline (EACOP) project.

According to Wesige, he later learnt that one of the residents of Kasamba village, Sentanda George, owned the piece of land. Sentanda claims to have bought the land from an absentee landlord.

The EACOP project plans to establish a site camp on the disputed piece of land on which at least 24 households face displacement. However, the proposed camp and the possibility of a hefty compensation have exacerbated conflict between the landlord and tenants.

“If he genuinely bought the land and acquired the title, why did he not tell us that we are now his tenants? I only got to know that someone has a title for my land when it was identified to host a camp for the pipeline. I think this is meant to defraud us of our compensation,” says Katusabe Frank, also a resident of Kasamba village, Kakumira sub-county.

Bukuma Livingstone, a resident of the area explains that land acquisition for the crude oil export pipeline and the attendant infrastructure has made people wake up and is exacerbating conflicts between landlords who are mainly absentee landlords and biblya holders.

For instance, in Kasamba village, efforts to mediate between a landlord and biblya holders have so far been futile. The tenants accuse the landlord of fraudulently acquiring the land title for purposes of getting compensation at their expense. “I must be compensated for the value of my land as a land owner and not a tenant.”

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We capture the whole conversation