



NATIONAL PETROLEUM POLICY 2025

GOAL:

To sustainably exploit and utilize Uganda's petroleum resources in a manner that maximizes in-country value addition, fosters equitable socio-economic development, and safeguards the environment."

OCTOBER 2025



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FOREWORD

The energy consumption in Uganda is mainly biofuels and waste which contributes 87.18% of the total primary energy consumed through firewood, charcoal and crop residues while petroleum accounts for 11.19% of the national energy mix and electricity contributes approximately 1.63%. In addition, petroleum products constitute 10% of the total import bill of the country.

This policy comes at a time when the country needs to consolidate the achievements made towards developing the national petroleum resources not only to avert the challenges of security of product supply and balance of payments but also to transform the country into a modern economy.

In Uganda today, a new momentum for structural transformation is gathering steam after years of conflict, turmoil and economic stagnation. The country is once again on a positive path of growth and political and socioeconomic transformation, despite the strong headwinds caused by the global economic downturn. On the other hand, many challenges, however, remain. There are still far too many people living in abject poverty, the lack of decent jobs is pervasive, especially for the youth, and the country lags behind other countries in the region concerning social development indicators.

The development of petroleum resources provides the country with an opportunity to fast-track the economic and social transformation process. The new policy direction shall not only actualize the dream for the first oil but also leverage the value addition, national participation and intersectoral linkages to spur growth and industrialization of the Country.

The National Petroleum Policy development followed an intensive consultative process involving a multi-stakeholder network of institutions that play a key role in the design, implementation, financing, benefiting, monitoring and evaluation of petroleum programmes. I wish to thank the technical team from the Ministry and sector agencies which spearheaded the development of this policy led by Eng. Irene Bateebe, the Permanent Secretary.

In conclusion, I wish to pay special tribute to His Excellency President Yoweri Kaguta Museveni, President of the Republic of Uganda for his guidance and vision to secure Uganda's economic future. I also thank my colleagues in the Cabinet and at the Ministry; Hon. Sidronius Okaasai Opolot, Minister of State for Energy, and Hon. Phionah Nyamutoro, Minister of State for Minerals, for their support in executing our duties.



Hon. Dr. Can. Ruth Nankabirwa Ssentamu

MINISTER OF ENERGY AND MINERAL DEVELOPMENT

PREFACE

The Petroleum industry in Uganda has evolved from predominantly product supply to exploration and development for production in the last four decades. The Energy Policy for Uganda 2002, whose goal was “to meet the energy needs of Uganda’s population for social and economic development in an environmentally sustainable manner,” guided the industry towards the first commercial discovery in 2006. Following the discovery, the National Oil and Gas Policy for Uganda 2008 (NOGP’08), with the goal “to use the country’s oil and gas resources to contribute to early achievement of poverty eradication and create lasting value to society, ” was formulated to consolidate the achievements of the energy policy, particularly for upstream and midstream segments of the petroleum value chain.

The achievements of the two policies include: progressive expansion of investment in the industry; increased petroleum resources, enhancement of government efforts in petroleum exploration, development and production processes, increased security of petroleum products supply, and increased employment and contract opportunities within the industry among others. However, the review of the two policies through the Regulatory Impact Assessment in 2022 revealed a number of issues within the industry such as the size of discovered resources to support commercial infrastructure development, delayed production of the discovered resources, in-country value creation and retention from the resources, security of product supply, optimization of national participation, environmental and climate change concerns and changes in the global energy landscape among others. Therefore, there was a need to develop a new policy to address these issues and other emerging challenges.

This Policy will consolidate the achievements of the implementation of the previous Policies and address the new and emerging challenges to maximize the benefits resulting from the development and exploitation of

the country's petroleum resources in line with the country's Uganda Vision 2040.

Specifically, the Policy seeks to put in place a framework to provide a basis for;

- i. Accelerating promotion and exploration of the country's petroleum potential to create a sustainable petroleum industry.
- ii. Efficient resource management to ensure optimal petroleum production practices and maximization of value from the industry to the benefit of society as a whole.
- iii. Leveraging the petroleum industry linkages to spur wider national economic growth
- iv. Increasing national participation to enhance in-country value retention.
- v. Safeguarding other natural resources, assets and the environment by promoting safe and environmentally friendly petroleum operations.
- vi. Supporting low carbon initiatives in the development of the industry in recognition of the energy transition.
- vii. Streamlining the licensing and regulation across the petroleum value chain.

With this policy, the Government of Uganda is emphasizing the sustainable development of the petroleum industry to contribute to equitable socio-economic development in Uganda.

In conclusion, I would like to thank His Excellency, the President of Uganda, Yoweri Kaguta Museveni whose vision and guidance led to the discovery of petroleum resources in the country and enabled industry to grow and transform the country. The Hon. Ruth Nankabirwa Ssentamu - Minister of Energy and Mineral Development, Hon. Sidronius Okaasai Opolot - Minister of State for Energy, and Hon. Phiona Nyamutoro - Minister of State for

Minerals for their guidance as well as the previous Ministers who over the years have spearheaded the implementation of the petroleum policies.

I wish to thank the Staff in the Ministry and sector agencies, Government Ministries, Departments and Agencies who have contributed to the achievements we see in the industry today and their efforts in developing the National Petroleum Policy. The contribution of all the stakeholders who participated in the consultations is duly recognized. I am equally grateful to numerous development partners, especially the Government of the Royal Kingdom of Norway who, in partnership with the Government of the Republic of Uganda, facilitated the development of this Policy and all those partners that have supported us since the beginning of Uganda's Oil journey and beyond. We look forward to continuing that collaboration in implementing the National Petroleum Policy 2025.



Eng. Irene Bateebe
PERMANENT SECRETARY

ACKNOWLEDGMENTS

I would like to acknowledge the contributions of the following previous staff whose dedication, hard work and expertise shaped our sector through the development and implementation of the National Oil and Gas Policy 2008 and Energy Policy for Uganda 2002. Their impact in the sector deserves recognition; Dr. Fred Kabagambe Kaliisa, Mr. Robert Kasande, Mr. Reuben Kashambuzi, Mr. Ernest Rubondo, Mr. Fred Kabanda, Eng. Paul Mubiru, Eng. Moses Murengezi, Mr. James Baanabe, Eng. Henry Bidasala, Mr. Godfrey Ndawula (RIP), Mr. Wilson Wafula, Mr. Benon Bena, Eng. Erias Kiyemba, Dr. Frank Ssebowa, Mr. Valentine Katabira and many more.

I would also like to extend my appreciation to the taskforce and individuals from the Ministry, Agencies and Partners that have played a pivotal role in the successful completion of this policy. These include: Honey Malinga, Frank Mugisha, Wilson Mbile Tumushabe, Tonny Sserubiri, Tonny Ddungu, Winston Mugumya, Henry Tumusiime, Esther Aguti (from Upstream Department), Geoffrey Ogwang, Steven Sherura Bainenama, Herbert Mugizi, Timothy Nigiwani (from Midstream Department), Rev. Frank Tukwasibwe, Disan Kiguli, Faridah Nakayiza (Petroleum Supply Department), Caroline Aguti, Anthony Katusiime, Hillary Arima, Shallon Niwamanya (from Health, Safety and Environment, and Gender), Emmanuel Ajutu, Samuel Babito Akiki, and Daniel Amanyana (from Sector Planning and Policy Analysis), Patricia Litho and Solomon Muyita (from Communications), Joan Nyesiga and Timothy Atugonza (from National Content). Sector Agencies: Clovice Bright Irumba, Felix Bob Ocitti, Rodney Golooba, Denis Ariko, Joseph Kobusheshe (Petroleum Authority of Uganda), Lyoidah Kiconco, Edith Tushabe Atuhurira, Brian Ochaki Kabalega (Uganda National Oil Company), Mike Nsereko (National Environment Management Agency), Marion Mbabazi Sandra (Ministry of Gender, Labour and Social Development), Daniel Mbabazize, Abu Nsamba (Ministry of Finance, Planning and Economic Development), Muhamad Abubakar Moki, Yusuf Mayega (Cabinet Secretariat, Office of the President) and Susan Kateme, Michael Aparoku (from SMOGPIII). While it may not be possible to individually mention all the people and entities due to the constraints of brevity, I take note that your collective efforts have been crucial to the successful development of this National Petroleum Policy 2025.

LIST OF ACRONYMS

CSO	Civil Society Organization
EACOP	East Africa Crude Oil Pipeline
EIA	Environmental Impact Assessment
EPCM	Engineering, Procurement and Construction Management
ESIA	Environmental Social Impact Assessment
FEED	Front End Engineering Design
FID	Final Investment Decision
GDP	Gross Domestic Product
HGA	Host Government Agreement
HSE	Health Safety and Environment
KIP	Kabalega Industrial Park
KST	Kampala Storage Terminal
LPG	Liquefied Petroleum Gas
MDAs	Ministries, Departments and Agencies
MEMD	Ministry of Energy and Mineral Development
MoFPED	Ministry of Finance, Planning and Economic Development
MOU	Memorandum of Understanding
NEMA	National Environment Management Authority
NFA	National Forestry Authority
NOGP	National Oil and Gas Policy
PAU	Petroleum Authority of Uganda
RIA	Regulatory Impact Assessment

SEA	Strategic Environmental Assessment
SMEs	Small and Medium Enterprises
UIA	Uganda Investments Authority
UNBS	Uganda National Bureau of Standards
UNOC	Uganda National Oil Company Limited



GLOSSARY OF TERMS

Development” means the planning, placement, construction and installation of facilities needed for the production of petroleum;

Discovery” means to establish, through the drilling of a well, the presence of petroleum in a geological structure;

Drilling” means the perforation of the earth’s surface for purposes of making a discovery, establishing the extent of a discovery, or production of the discovered petroleum;

Exploration” means the undertaking of activities, whether on land or water, for the purpose of discovering petroleum and includes geological, geophysical and geochemical surveys and drilling of wells for the purpose of making a discovery and its appraisal.

Field” means a geological structure or feature which hosts one or more reservoirs from which petroleum production may be commercially undertaken through a defined set of facilities.

Flaring” means the combustion of hydrocarbons without the application of the resulting heat or gases for any useful purpose.

License” means a license issued under this policy.

Licensee” means a person to whom a license is granted under this policy.

Minister” means the minister responsible for petroleum activities.

Natural gas” means all petroleum which is in a gaseous state at 15°C at atmospheric pressure, including wet gas, dry gas and residue gas remaining after the recovery of liquid hydrocarbons.

Petroleum activity” means planning, preparation, installation or execution of activities related to petroleum including reconnaissance, exploration, development, production, transportation, storage, and cessation of activities or decommissioning of facilities.

Petroleum” means any natural or refined hydrocarbons or mixture of one or more hydrocarbons (whether in a gaseous, liquid or solid state) or with any other substances.

Production” means all activities relating to recovering oil and gas from a reservoir and preparing it for evacuation from the field area.



EXECUTIVE SUMMARY

The petroleum industry in Uganda has been guided by the Energy Policy of Uganda and the National Oil and Gas Policy for Uganda since 2002 and 2008 respectively. The two policies were reviewed in 2020 through the Regulatory Impact Assessment (RIA) process, and the key findings indicate that a number of achievements have been registered.

The achievements as a result of the implementation of the two Policies include; the commercial discovery of 6.5 billion barrels of stock tank oil initially in place with 1.4 billion barrels estimated to be recoverable, cumulative foreign investment of approximately, USD 7.5 billion (in the upstream and midstream projects) and USD 1.5 billion per year in the downstream projects, maintained security of product stock, creation of more than 15,387 direct jobs, establishment of institutions to govern the industry, enactment of legislation for the industry among others. However, the petroleum industry is faced with continued challenges and inadequacies in; resource base and size of reserves to support commercial infrastructure, production and utilization of discovered resources, security of petroleum product supply, in-country value creation and retention, participation of Ugandans and Ugandan enterprises and concerns in the management of environment health, safety and security of stakeholders including increased public anxiety and expectations. The RIA recommended the formulation of a comprehensive National Petroleum Policy (NPP) focused on consolidating the achievements attained and addressing the identified gaps, as well as emerging issues.

The NPP has been designed to foster the growth of the petroleum industry anchored on the goal to exploit and utilize petroleum resources sustainably to contribute to equitable socio-economic development in Uganda. The Policy identifies nine strategic objectives that will meaningfully transform the industry, these include;

- i. To increase the size of petroleum reserves.
- ii. To efficiently manage the country's petroleum resources.
- iii. To ensure value addition and commercialization of the produced petroleum.
- iv. To ensure an efficient and sustainable supply of quality petroleum products in the country"
- v. To develop national capacity and ensure technology transfer for the petroleum industry
- vi. To ensure optimal national participation in the petroleum industry.
- vii. To ensure sound environmental and social management in the petroleum industry
- viii. To enhance quality health, safety, security, and work environment in petroleum operations
- ix. To enhance transparency, accountability, and Management of stakeholder participation.

The Policy is driven by a firm commitment by the Government to end energy poverty and transform society while leveraging the global and regional value chains as a result of increased energy demands.

At the apex of implementation, the Cabinet shall provide strategic direction for Uganda's Petroleum industry transformation. The petroleum industry is multidisciplinary, and the implementation of the policy objectives will be multisectoral and cut across different Ministries, Departments, and Agencies (MDAs). Therefore, the Ministry of Energy and Mineral Development shall provide the coordination and consultation forum to ensure harmony and coherence in policy implementation. The government shall also collaborate with the Private Sector, Civil Society, Development Partners and all relevant non-state actors in the implementation of this Policy.

The preparation of the policy has followed an inclusive process where all stakeholders, including Government MDAs, Licensees, Development Partners, Private Sector Associations, Civil Society Organizations (CSOs),

Cultural and Religious Institutions, Media, Researchers and Academia, were extensively consulted at various stages of the preparation process. In addition, the Policy has been aligned to reflect aspirations in the National Vision 2040, EAC Industrialization Policy 2012-2032, African Union Agenda 2063, the United Nations Sustainable Development Goals (SDGs) 2030, the United Nations Framework Convention on Climate Change, Paris Agreement, United Nations Guiding Principles on Business and Human Rights, and Extractive Industries Transparency Initiatives among others.



1.0 INTRODUCTION

1.1 Overview

Following the discovery of commercial petroleum resources in Uganda in 2006, the country adopted a National Oil and Gas Policy in 2008, which led to the establishment of institutions to govern the industry and the enactment of legislation for the industry. As a result of the implementation of this Policy, the country witnessed significant and continued investment in the petroleum industry. The intense exploration and appraisal activities culminated in additional petroleum discoveries and a full evaluation of these discoveries. This effort led to the confirmation of 6.5 billion barrels of stock tank oil initially in place (STOIIP), with 1.4 billion barrels estimated to be recoverable. The upstream petroleum industry is now progressing into development and subsequently production.

The anticipated petroleum production in the country created the need for infrastructure that adds value to the produced petroleum. The country has therefore taken significant steps in planning and implementing the development of infrastructure in the petroleum midstream sub-sector. This includes the development of an in-country refinery together with an export pipeline.

The development of the upstream and midstream projects is expected to lead to an investment of approximately USD 20 billion in ten years. In the downstream segment, the investment is estimated at USD 1.5 billion per year as of 2025. As the country gears towards the production and value addition of the confirmed petroleum resources, it is presented with an opportunity to ensure the security of the supply of petroleum products in the country. This strategy will aim to leverage the linkages that will be created in the entire petroleum value chain from upstream, through midstream to downstream sub-sectors. Despite the global agenda for energy transition, petroleum resources will continue to play a major role in



the global energy mix for several decades to come through 2025 (Exxon Mobil, 2023)¹, and Uganda will therefore, continue to explore for and produce its petroleum resources in due consideration of the environment.

The developments described above have therefore occasioned the formulation of this Petroleum Policy. The Policy will consolidate the achievements of the implementation of the National Oil and Gas Policy (2008) and address the new and emerging challenges to maximize the benefits resulting from the development and exploitation of the country's petroleum resources in line with the country's Uganda Vision 2040 through the Sustainable Extractives Industry Development Programme.

Specifically, the Policy seeks to put in place a framework to provide a basis for;

- (i) Accelerating promotion and exploration of the country's petroleum potential to create a sustainable petroleum industry,
- (ii) Efficient resource management to ensure optimal petroleum production practices and maximization of value from the industry to the benefit of society as a whole,
- (iii) Leveraging the petroleum industry linkages to spur wider national economic growth,
- (iv) Increasing national participation to enhance in-country value retention,
- (v) Safeguarding other natural resources, assets and environment by promoting safe and environmentally friendly petroleum operations,
- (vi) Supporting low-carbon initiatives in the development of the industry in recognition of the energy transition, and

¹ <https://corporate.exxonmobil.com/-/media/global/files/advancing-climate-solutions-progress-report/2023/2023-advancing-climate-solutions-progress-report.pdf>

- (vii) Streamlining the licensing and regulation across the petroleum value chain.

1.2 Legal and Regulatory Policy Framework

The successful implementation of the National Petroleum Policy will contribute to, and require the support of, the Constitution of the Republic of Uganda and other National Policies and Legislative frameworks as amended.

1.3 The 1995 Constitution of the Republic of Uganda (As amended)

The constitution of the Republic of Uganda of 1995, as amended, is the supreme law of the country. Article 244 provides for Government ownership and control of minerals and petroleum in, on or under any land or waters in the country. The constitution also empowers parliament to make laws regulating the exploration and exploitation of minerals and petroleum, the management of accruing revenues, payment of indemnities, and the conditions for the restoration of any derelict lands. Article 245 further provides for the protection and preservation of the environment, human health and property.

1.4 Existing Policy and Legislation

The legal framework of the petroleum industry is comprised of the 1995 Constitution of the Republic of Uganda (as amended) and the following laws and statutory instruments (as amended): The Petroleum (Exploration, Development and Production), 2013, which provides for the regulation of upstream petroleum activities and the establishment of an effective legal framework and institutional structures to ensure that the exploration, development and production of petroleum resources in Uganda is carried out sustainably to ensure good resource management; The Petroleum (Refining, Conversion, Transmission and Midstream Storage) Act, 2013 provides for the regulation, management, coordination and monitoring of



midstream operations; The Petroleum Supply Act, 2003 (as amended) which provides for the regulation of the downstream petroleum activities; and the East African Crude Oil Pipeline (EACOP) (Special Provisions) Act, 2021 which provides for the implementation of the East African Crude Oil Pipeline Project in Uganda and to fully implement the obligations of Uganda under the Intergovernmental Agreement and the Host Government Agreement.

The policy framework is comprised of the Energy Policy for Uganda, 2023, whose goal is "to meet the energy needs of Uganda's population for social and economic development in an environmentally sustainable manner"; the National Oil and Gas Policy, 2008, which aims to use the country's oil and gas resources to contribute to early achievement of poverty eradication and create lasting value to society. The Energy Policy for Uganda, 2023, replaced the Energy Policy for Uganda 2002, however, it excluded the provisions regarding petroleum supply. Therefore, the new National Petroleum Policy will cater for the issues of the whole petroleum value chain, including petroleum supply.

The Petroleum Industry is also supported by other national, regional and international policies, laws, plans, protocols and commitments as adopted by the State occasionally.

1.5 Existing Institutional Arrangements

The Petroleum Industry is led by the Ministry of Energy and Mineral Development (MEMD) under the current institutional framework. The MEMD provides policy guidance and monitors the work of the petroleum agencies placed under it, namely; the Petroleum Authority of Uganda (PAU) and the Uganda National Oil Company (UNOC). The MEMD is responsible for policy making, coordinating the development of the industry and sectoral linkages, undertaking licensing, promoting investment, and building the national capacity to optimally participate in the petroleum industry, among other roles. PAU regulates the players in the industry,

including enforcing compliance and monitoring the operations of oil companies. UNOC is a commercial entity responsible for the management of state participation in the licenses and taking on commercial interests.

1.5.1 Institutional Capacity

The current institutional framework has implemented the state functions of policy and licensing, regulatory and commercial across the value chain, facilitating the exploration and confirmation of commercial quantities of oil and gas in the country, together with the management of downstream petroleum supply. The development and production phases of the industry result in increased activities, which require the adoption of the institutional model that creates efficiency, avoids duplication of roles, and makes the coordination of activities much easier.

There is need to enhance the capacity and institutional coordination and strengthen the efficiency of these institutions to ensure that the Policy and Licensing, Regulatory and Commercial aspects are handled appropriately across the entire value chain. This shall be achieved through the identification and adoption of any necessary changes in the regulatory framework.

1.5.2 Regulatory Best Practice

The Regulatory Best Practice (RBP) is the cornerstone of the Government's institutional reform policy. RBP is based on the principle that institutional roles and responsibilities should be clearly defined and understood by all stakeholders. This is critical in improving government functions and enabling the public to bring to account those institutions that fail in their duties. In addition, building and retaining capacity in government institutions and reducing political interference, are key in enabling the institutions to respond appropriately to the demand for better performance and to make effective decisions. This policy recognizes the need to continue harnessing the RBP principles in the management of petroleum activities,

maintain separate institutions and streamline the policy, regulatory and commercial roles in the entire value chain.

1.6 The Policy Development Process

The National Petroleum Policy demonstrates the commitment of the Government of Uganda to ensure that the petroleum industry addresses issues of Poverty alleviation, employment generation and contributes to the GDP and Revenue enhancement. The policy was therefore informed by a Regulatory Impact Assessment which included a comprehensive review of the Energy Policy for Uganda 2002 and National Oil and Gas Policy, 2008 together with other policies, plans and strategies related to Petroleum Industry domiciled in different programmes of government and national development plans including Vision 2040, National Development Plans, National Energy Transition Plan, Nationally Determined Contributions (NDCs) under the Paris Agreement. The policy also relied on the review of recent studies relating to the petroleum industry including field development plans, reservoir management plans, petroleum reservoir studies, National Content baseline surveys, among others. In addition, the Policy has been aligned to reflect aspirations in the National Vision 2040, EAC Industrialization Policy 2012-2032, African Union Agenda 2063, the United Nations Sustainable Development Goals (SDGs) 2030, the United Nations Framework Convention on Climate Change, Paris Agreement, United Nations Guiding Principles on Business and Human Rights, and Extractive Industries Transparency Initiatives, among others.

The policy was developed through a participatory process involving extensive consultations with a wide range of stakeholders at national, regional, district and community levels. Stakeholders included representatives of Government MDAs, Licensees, Development Partners, Private Sector Associations, Civil Society Organizations (CSOs), Cultural and Religious Institutions, Media, Researchers, and Academia. These were consulted through several national consultative workshops, individual

interviews, expert reviews, key informant interviews, and Focus Group Discussions. Discussions centred on the achievements, challenges, current trends of the petroleum industry, policies, and priorities for its implementation plan. In addition, Technical Working Groups were formed, and several meetings were organised to inform the policy development process.

1.7 Structure of the Policy

The structure of the Policy includes an introduction followed by a situation analysis. The situation analysis is presented giving an overview of the status of the petroleum activities in the country and the key achievements of the previous Policy. This is followed by a description of the country's petroleum resource base and key issues of concern in the development of a sustainable petroleum industry in the country.

The Policy framework is then presented, including the Policy goal, guiding principles, strategic objectives, and actions required to achieve the objectives. An institutional framework for managing the country's petroleum industry is also presented together with the roles of the different institutions. The Policy concludes with a presentation on its financing along with a framework for monitoring and evaluation of its implementation.





2.0 BACKGROUND

2.1 Global and Regional Context

The petroleum industry has been used as an engine for development in many advanced and emerging economies through the production, processing, transportation and consumption of petroleum products and as such, petroleum represents the world's largest industry in terms of dollar value. Despite record growth in renewables, the share of world energy coming from fossil fuels remains at about 82% (KPMG, 2023)². Petroleum is vital to many industries and is necessary for the maintenance of industrial civilization thereby making it a critical asset for many nations. Oil and natural gas are major industries in the energy market and play an influential role in the global economy as the world's primary fuel source.

Africa's petroleum needs range from the use of gasoline and diesel as primary fuels in road transport to power generation. Households also use a variety of petroleum products such as kerosene for lighting, cooking, and heating; and liquefied petroleum gas for cooking and heating. Oil demand in Africa stood at an average of 4.36 million barrels per day in 2022. This was a slight increase compared to the previous year and the second-highest volume registered for the year under review (Statista, 2023)³. The East African petroleum market is expected to register a Compound Annual Growth Rate of more than 3.5 % during the forecast period of 2022-2027⁴.

Therefore, amidst the global agenda to adopt the use of low-carbon energy sources through clean energy technologies with the final goal of abolishing or significantly reducing fossil energy (coal, oil and gas) dependency, the current projections show that the petroleum resources will still play a big

² <https://kpmg.com/xx/en/home/insights/2023/06/statistical-review-of-world-energy-2023.html#:~:text=All%20aspects%20of%20the%20trilemma,urgency%20into%20the%20energy%20transition.>

³ <https://www.statista.com/statistics/1248712/annual-average-oil-demand-in-africa/#:~:text=Oil%20demand%20in%20Africa%20stood,4.43%20million%20barrels%20per%20day.>

⁴ <https://www.mordorintelligence.com/industry-reports/east-africa-refined-petroleum-products-market>

role in providing the much-needed energy and petrochemicals in the next 4-5 decades⁵

2.2 National Context

2.2.1 Overview

The petroleum industry can potentially transform Uganda's economy and drive socio-economic development through sustainable development and utilization of the petroleum resources to create maximum value for the current and future generations.

The petroleum industry in Uganda has three main segments: Upstream, Midstream and Downstream which form the mainframe of petroleum operations in the country. Upstream involves exploration, development and production together with the attendant processing and transportation of crude hydrocarbons. Midstream involves refining, conversion, transportation and storage of hydrocarbons or bulk refined products. Downstream involves the transportation, processing, storage, marketing, and distribution of refined hydrocarbon products.

The investment made by Government and oil companies in the country's petroleum industry to date has led to major data acquisition and confirmation of commercial petroleum resources. The one hundred and twenty-one (121) exploration and appraisal wells which were drilled, registered an unprecedented success rate of over 88%. The detailed exploration so far undertaken covers less than 40% of the Albertine Graben. However, no detailed exploration has been undertaken in other prospective frontier basins of Moroto-Kadam, Lake Kyoga and Hoima basins. There are ongoing efforts to investigate the hydrocarbon potential of under or unexplored parts of the Albertine Graben and frontier basins for subsequent exploration licensing.

⁵ <https://www.linkedin.com/pulse/role-oil-gas-global-energy-mix-luke-bennett>

In order to commercialize the discovered resources, the Government and the licensed companies are developing a crude oil export pipeline, an in-country refinery, a refined products petroleum pipeline, the Kampala Storage Terminal and other infrastructure such as roads, an International Airport, an export hub, and other associated facilities. Government has also explored the development of other commercialisation projects that include the development of a Natural Gas Pipeline, and a refined products pipeline connecting Uganda, Tanzania, as well as Kenya-Uganda-Rwanda-Burundi.

Currently, Uganda is a net importer of petroleum products, with 95% of the products sourced through Kenya and 5% through Tanzania. There are over 2,984 retail outlets that supply fuel countrywide. The consumption in Uganda stands at 2.5 billion litres of petroleum products per year at a consumption growth rate of 7% per annum. LPG remains the least consumed product, at 1%, despite a 10% growth over the last 5 years. In comparison, the monthly consumption for Tanzania, Kenya and Rwanda is 3.6⁶, 5.2⁷, and 0.54⁸, billion litres of petroleum products respectively.

The cost of Uganda's petroleum imports was more than USD 2 billion per annum, constituting over 10% of the country's import bill in the 2023/2024 financial year. The consumption of petroleum products could grow faster if the economic growth experienced in the past decade continues. As such, Uganda will continue to import refined products to meet national fuel consumption requirements before commencing the local refining of discovered petroleum resources.

As the country progresses from the exploration and development phases to the production phase of the petroleum value chain, cumulative investment in the upstream and midstream petroleum segment in the country is expected to increase from USD 7.5 Billion to USD 20 billion in the next ten

⁶ <https://www.statista.com/statistics/1261502/petroleum-product-consumption-in-tanzania-by-type/>

⁷ The Republic of Kenya (2020). Energy and Petroleum Statistics Report. <https://www.epra.go.ke/wp-content/uploads/2021/03/Energy-and-Petroleum-Statistics-Report-2020.pdf>

⁸ Republic of Rwanda National (2020). The Downstream Petroleum Policy of November 2020.

<https://www.minicom.gov.rw/index.php?eID=dumpFile&t=f&f=25975&token=43d8c732cfabb2cab1d92de34c8bd672842267aa>

years. In the downstream segment, the investment was estimated at USD 1.5 billion per year in the last five years.

The achievements notwithstanding, there are significant challenges facing the petroleum industry that need to be addressed including fully establishing the country's resource potential, expediting the development and production of the discovered resources, adding value to petroleum, increasing access and usage of petroleum products and increasing national participation. Furthermore, there is need to strengthen the regulatory framework to achieve efficient regulation of the entire petroleum value chain.

2.2.2 Status of licensing

Currently, approximately 15% of the Albertine graben is licensed to four oil companies and there are three Exploration Licenses, namely: the Ngassa Deep Play and Ngassa Shallow Play Contract Areas and Kasurubanu Contract Area (Fig. 1). In addition, there are nine (9) petroleum production licenses covering fourteen oil and gas fields in Contract Area 1, License Area 2 and Exploration Area 3A. The Uganda National Oil Company (UNOC) is mandated by law to manage participating interests on behalf of the state in all the production licenses issued.

The licences were also secured for the key Midstream and Downstream projects including EACOP, the Kingfisher LPG recovery plant and the 1575 fuel stations across the country.

2.2.3 Resource Base

Currently, Uganda's petroleum resources are estimated at 6.5 billion barrels of Stock Tank Oil-Initially-In-Place (STOIIP), of which 1.4 billion barrels are estimated to be recoverable. In addition, gas resources are currently estimated at 500 billion standard cubic feet (BCF). There is potential for additional resources in the country expected from the 60% of the Albertine

Graben that is unexplored and the Moroto-Kadam, Lake Kyoga and Hoima basins that are yet to be explored.

The first commercial discovery in Uganda was made over the Mputa field in 2006. This discovery created great interest in exploration in the country. To date, out of the 31 prospects drilled, 21 petroleum discoveries have been made in the country putting the prospect success rate in the Albertine Graben at 68%. One hundred and twenty-one (121) exploration and appraisal wells have been drilled with one hundred and six (106) wells encountering oil and/or gas which is an unprecedented drilling success rate of over 88%.

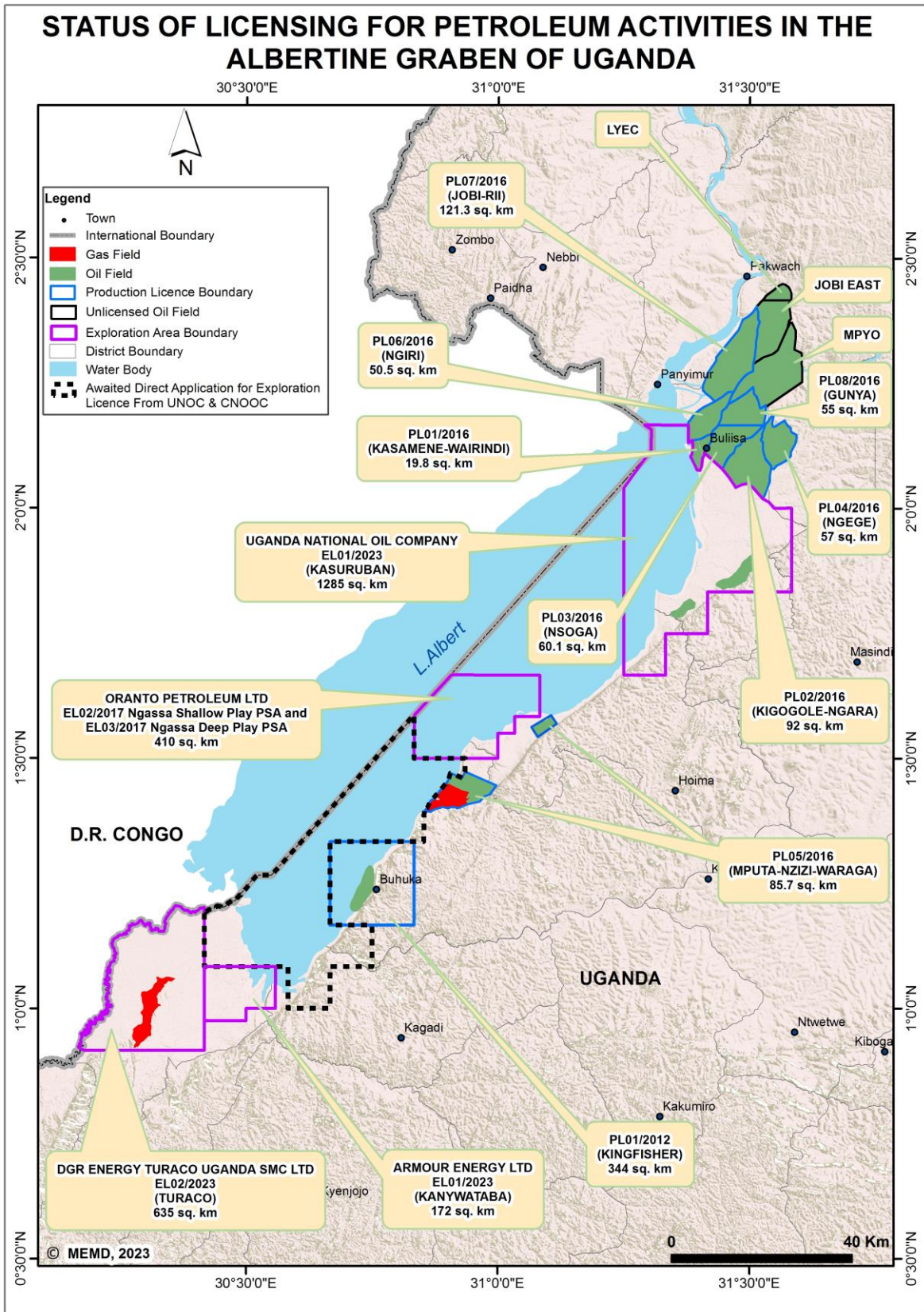


Figure 1: Map showing the status of Petroleum licensing in the Albertine graben as of September 2023.



2.2.4 Development Projects

The discovery of commercial petroleum resources and increased petroleum product demand in the country has supported the development of a number of projects. These include;

i) Tilenga and Kingfisher Development Projects

The Tilenga and Kingfisher Projects are designed to produce and process 230,000 bpd with the Tilenga Project contributing 190,000 bpd and the Kingfisher Project contributing 40,000 bpd. The two projects will export the crude through the EACOP and to the refinery. The development of these projects is a major milestone in the exploitation of petroleum resources in Uganda. The magnitude of these projects and the planned duration of their execution towards production will lead to a steep ramp-up in activities, hence the need to enhance regulation of the petroleum activities.

ii) The East African Crude Oil Pipeline Project

The East African Crude Oil Pipeline is a buried pipeline system that will transport crude oil produced from the Tilenga and Kingfisher projects in Uganda's Lake Albert area to world markets. The pipeline starts from Kabaale in Hoima and ends on the Chongoleani peninsula near Tanga on the Indian Ocean coast in Tanzania. This major export system includes 1,443 km (296 km in Uganda and 1147 km in Tanzania) of insulated and buried 24 inch electrically heated pipeline, six pumping stations, two pressure reduction stations and a marine export terminal in Tanzania.

The EACOP enables Uganda to unlock value from its petroleum resources and presents opportunities for both Uganda and Tanzania which include job creation, local content, revenues for the host countries, infrastructure, logistics, technology transfer and enhancement of the corridor in the East African Region.

iii) The Greenfield Refinery Project

The Uganda Refinery is a private sector-led project which includes the development of a 60,000bpd refinery located in Kabaale, Hoima District, a 211-kilometer multi-products pipeline from Kabaale to a distribution hub in Namwambula, Mpigi District, a refined product storage terminal in Namwambula, and a raw water pipeline from Lake Albert to the refinery in Kabaale. The refining of the discovered oil in-country is crucial to supply the national and regional petroleum product demand.

iv) Jinja and Kampala Storage Terminals

Currently, Uganda is a net importer of petroleum products that are transported mainly by road through Kenya and to a small extent through Tanzania. There is one public storage terminal that is Jinja Storage Terminal (JST), which is a 30 million litre capacity storage terminal located in Jinja, Eastern Uganda. It is a fully functional reserve for petroleum products in Uganda. Plans are underway to enhance the operational efficiency at the JST and also establish the Kampala Storage Terminal (KST) to enhance the security of supply of petroleum products in the country. The KST is a 320 million litre capacity to be located at Namwambula, Mpigi District and is designed to receive, store and serve as a central distribution terminal for refined petroleum products. It will also serve as a central hub for the development of regional pipeline infrastructure for refined products.

v) Liquefied Petroleum Gas projects

The Liquefied Petroleum Gas projects are aimed at promoting the use of Liquefied Petroleum Gas (LPG) in the country to conserve the environment and reduce carbon emissions. The country currently consumes 2.5 billion litres of petroleum products annually at a growth rate of 7% per annum as of 2024. The LPG remains the least consumed product at 1% of the total product consumption despite the growth rate of 10% over the last 5 years. There is currently a low uptake of LPG in the country mainly because of the relatively high cost of the product and its start-up kit (cylinder and

accessories), as well as the wide-scale stigma of the dangers associated with it.

The production of LPG from Kingfisher and Tilenga development projects underscores the commitment to ensure the availability and affordability of LPG in the country. In addition, the cylinder manufacturing and refill station projects that are private-led will not only improve the accessibility of LPG in rural areas but also support the government efforts to integrate LPG into the cooking energy mix in Uganda.

vi) Natural Gas Transmission Pipeline Project

Uganda has recognized the need to access affordable and efficient energy such as natural gas for domestic and industrial use including the development of an iron ore smelting plant in the country. Natural gas is a clean, safe, and environmentally friendly alternative source of energy; and the implementation of a plan for the transportation of natural gas into the hinterland of Tanzania and to Uganda is beneficial to the country in spurring economic development and enhancing energy security within the region.

In this regard, a memorandum of understanding (MOU) was executed between the governments of both countries, and the Bilateral Agreement between the two State Parties was signed to enable the commencement of the project's implementation.

vii) Refined Petroleum Products Transmission Pipelines from Uganda to Kenya, Rwanda, Tanzania and Burundi

In order to diversify the supply routes of refined petroleum products in the country, the government has found it pertinent to develop refined products' petroleum pipelines from Uganda to the neighbouring countries including Kenya, Rwanda, Tanzania and Burundi. These pipelines are expected to be reversible enabling both the importation and exportation of refined petroleum products within the Country.

2.2.5 Enabling Infrastructure Projects

The supporting infrastructure to the petroleum projects includes: Kabalega Industrial Park and Kabalega International Airport, critical oil roads, and physical planning of major towns in the Albertine Graben. Kabalega Industrial Park is a petro-based industrial park that is being developed on 29.57 square kilometres of land in Hoima District. It is a specialised and extraordinary industrial park that has been zoned to be a strategic commercial venture that will accommodate anchor projects such as the Refinery, the second-largest International Airport in Uganda and the Crude Export Hub. In addition, it will host petro-based industries such as plastics, fertilizers and other petrochemicals.

The Government is developing an International Airport to support the petroleum industry and tourism operations, among others. The construction of Kabalega International Airport which includes, a Code 4F Runway (which can handle big and heavy aircraft), a Taxiway, an Apron, a multi-purpose Terminal Building for Cargo and Passengers, a Fire Station, a Car Park, Access Road, Perimeter Fence and Electrical Centre, among other facilities. The Airport will support the delivery of some of the equipment required for the Upstream and Midstream projects, together with the transportation of other cargo and personnel.

The government has invested in the construction of critical oil roads in the Albertine region of approximately 660 km to support the petroleum operations in the country. These roads support the transportation of logistics necessary for the exploration, development and production of petroleum resources. These roads will also support the commercialization of the produced petroleum resources and social service delivery within the region.

The development of physical plans for all areas affected by the petroleum infrastructure is ongoing. In this regard, the physical plans for major towns

such as Hoima and Buliisa have already been integrated with the infrastructural plans of the petroleum industry.

2.2.6 Local Content Development

The participation of Ugandans and Ugandan enterprises in the petroleum industry is one of the ways to create lasting value to society as envisioned in the previous Policy and the Local Content Policy for the Petroleum Industry, 2018. The number of persons employed within the industry as of June 2025 stood at fifteen thousand three hundred eighty-seven (15,387) people, of which 89% are Ugandans. The Ugandan enterprises participating in the industry are expected to retain at least 40% of the total investment. National participation and intersectoral linkages are key to unlocking the full potential of the industry.

2.2.7 Impact on the National Economy

Uganda is currently pursuing an ambitious Tenfold Growth Strategy, which aims to expand the economy from approximately USD 50 billion in 2023 to USD 500 billion by 2040. The development of the petroleum industry in the country will contribute significantly to the achievement of this goal by enhancing the country's capacity to invest in productive sectors of the economy, economic and social infrastructure, development of new industries and businesses, creation of new jobs and boosting national and household incomes. This development shall be undertaken in line with the country's relevant National Development Plan.

(i) Impact on Fiscal and Monetary Policy

The total petroleum revenues stood at USD 0.05 billion in the 2023/24 Fiscal Year. This is before the country enters into commercial petroleum production. The expected revenues from the production and sale of petroleum will further boost the total revenues of the Government thus increasing fiscal space for development expenditure. On the other hand, a significant increase in forex inflows from petroleum-related activities and an

increase in money supply from Government spending may put appreciation pressures on the real exchange rate. The appreciation of the shilling, if not managed, would make the exports expensive thus harming the tradable sector.

This Policy, therefore, recognizes the important relationship between fiscal and monetary policy and the country's petroleum sector and shall promote their harmony. It further recognises the need to enhance prudent spending of any revenues generated from petroleum activities within the domestic economy. The Policy shall support the priorities of reducing the fiscal deficit and prioritising spending that promotes increased productivity and competitiveness of other sectors of the economy.

(ii) Impact on the Balance of Payments

As of the 2023/2024 financial year, the cost of importing petroleum products into the country was more than USD 2 billion per annum, constituting over 10 percent of the country's import bill. The extent to which Uganda reduces its position as a net importer of petroleum products on account of domestic oil production and processing will largely determine the improvement in the balance of payments. Any export of the country's petroleum or its products will provide additional opportunities for the country to have a significant positive balance of payments. Additional import substitution arising from the country's use of goods and services, primarily developed to support the petroleum industry, shall also contribute to a positive impact on the country's balance of payments. It is recognized that as the money supply increases due to increased petroleum-related activities, there is a potential for increased importation of consumer goods, among others. In addition, appreciation of the shilling because of significant forex inflows could make imports cheaper than domestic products. This Policy supports prudent fiscal and monetary policies that will not exacerbate pressures on the exchange rate. Moreover, policies that promote local content participation and value addition in the petroleum industry will be promoted to harness

the potential the industry can have to improve the Balance of Payments Position.

The Policy shall, together with other relevant national policies, encourage a positive impact on the country's balance of payments by petroleum activities.

(iii) Impact on Land Ownership, Planning and Use

The implementation of petroleum activities in the Albertine Graben and other parts of the country has led to significant changes in land ownership and use. It has resulted in improved physical planning, issuance of land titles, urbanization and improved road network among other benefits. However, it has also led to the resettlement of local people to allow for petroleum-related infrastructure development such as pipelines, roads, well pads, petroleum processing facilities, and refineries.

This Policy will promote the implementation of petroleum activities in accordance with the policy and legal framework on land ownership and use, develop appropriate procedures for compensation, and ensure organized physical planning and urbanization.

(iv) Impact on water resources

Petroleum exploration, production, and utilization activities in the country have impacted water usage, aquatic ecosystems, and the livelihoods of communities that depend on these water resources. The activities have led to improved infrastructure and security around water bodies, access to fisheries and water transport services, and providing clean water to surrounding communities through water abstraction schemes. However, the petroleum extraction and refining processes often require large volumes of water, potentially straining local water supplies and competing with other uses such as agriculture.

In addition, the development of infrastructure, such as pipelines and access roads, can disrupt natural water flow patterns, leading to increased erosion

and sedimentation, which can degrade water quality and aquatic habitats. Offshore petroleum activities can also impact water resources by increasing vessel traffic on water bodies, potentially disrupting fisheries and water transport. Furthermore, shared water bodies are critical for both local communities and neighbouring countries where any spills or contamination in these waters could have widespread and severe consequences for biodiversity, water quality, and livelihoods.

Recognizing that petroleum activities can have both positive and negative impacts on water resources, this policy will promote practices that enhance the benefits while ensuring strong measures are in place to mitigate any adverse effects, safeguarding the sustainable and equitable use of water resources.

(v) Impact on National Industry and Manufacturing

The Petroleum activities provide opportunities for linkages in the country's drive to industrialization. The petroleum sector has provided a market for industrial products such as steel alloys, chemicals, equipment, support systems and Agro-products. In addition, the sector shall provide raw materials which can be used as inputs during manufacturing processes e.g., in the petrochemical industry. The petrochemical includes the off-shoot industries utilising the refinery by-products, together with industries arising from the utilisation of natural gas. Refinery by-products can be processed to produce inputs for soap, plastics, pesticides, paints, medicine, asphalt, petrochemicals and polymers among others.

This Policy shall promote the development of appropriate and efficient petroleum-related industry in the country, including the participation of private sector investment in these developments.

(vi) Impact on Agriculture

The petroleum industry has provided a ready market for agricultural products, helped farmers in project areas to adopt good agricultural

practices through livelihood restoration programmes, and promoted product standardisation.

This Policy shall, in collaboration with other relevant national policies, support the significant and positive impact of petroleum activities on the country's agricultural sector in line with the country's objectives for developing the Agricultural economy.

(vii) Impact on Tourism

The developments in the petroleum industry have presented opportunities for tourism and other sectors of the economy. They have led to the construction of enabling infrastructure such as roads and an international airport, and the development of hospitality and recreational facilities that accelerate tourism growth. In addition, the petroleum industry has been well regulated and planned to avoid the destruction of the country's heritage and significant tourism sites.

This policy shall build on the existing tourism infrastructure to strengthen and compliment tourism and other productive sectors of the economy.

2.2.8 The Social Impacts

(i) Impact on Education and Research

Petroleum resources notwithstanding, a nation's greatest resource is its people or human resources. The petroleum industry has supported the training and certification of over 14,000 Ugandans in various petroleum disciplines of Welding, Machining, Fitting, Health Safety and Environment, Driving Heavy Goods Vehicles, lifting and Scaffolding among others. These skills are easily transferable to other sectors of the economy.

This policy, through linkages with the education sector, will support the training necessary to meet the national demand from the various sectors and support the promotion of education and research to generate

information on socio-economic impacts, scientific innovations and new technological designs to foster research-oriented development in the petroleum sector as well as other sectors of the economy.

(ii) Impact on Population Distribution

With the onset of development activities, population increase has been noted in petroleum areas because of the labour requirements or perceived business opportunities in these areas.

This Policy recognizes the need to guide population movements and settlements triggered by petroleum activities. This Policy will support the implementation of regulations restricting population movements and settlements in the protected wildlife and biodiversity areas.

(iii) Impact on Energy Availability

The main sources of energy in Uganda are 87.18% biomass, 11.19% petroleum products and 1.63 % electricity⁹. The petroleum products used in the country are diesel, petrol, aviation fuel, fuel oil, kerosene, lubricants and bitumen. All are imported thereby exposing the country's economy to fluctuating and exorbitant prices together with a significant level of uncertainty about their availability.

To reduce the impact of oil price shocks and the erratic supply of imported petroleum products on the economy, this Policy shall support the use of the country's petroleum resources to meet domestic demand, through the refinery of a capacity 60,000 barrels/day, export the surplus within the East African region. The use of the country's petroleum resources to substitute imported products will facilitate value addition to these resources, import substitution of petroleum products, and improved security of supply for petroleum products in the country. Pricing of petroleum products refined

⁹ African Union (2021). The African Energy Commission (AFREC) report on Africa Energy Balances and Indicators - 2021 Edition. https://au.int/sites/default/files/documents/41603-doc-African_Energy_Balance_and_Indicators_2021_ANG_24-02-20221.pdf#page=7&zoom=100,408,173



from the country's petroleum resources shall not distort the value of the country's resources through subsidies.

Petroleum resources can be used to support the energy through their utilization to generate electricity and address the increasing demand. This Policy will support the use of best lessons and practices in utilizing petroleum resources to enhance the availability and efficient use of energy.

(iv) Impact on Employment Opportunities and Patterns

The number of persons employed within the petroleum industry stood at thirteen thousand sixty-seven (15,387) as of June 2025 and 89% were Ugandans. Petroleum activities tend to be capital-intensive and mainly generate direct employment for science and engineering professionals and technicians, among others. These activities are not labor-intensive and therefore the number of people directly employed on a sustainable basis may not be large. However, the industry provides significant employment opportunities through chain or multiplier effects. Businesses that come into being to provide goods and services to the petroleum industry will provide employment opportunities. Expansion of other sectors of the economy as a result of the development of the petroleum industry will also lead to induced growth of employment opportunities.

This Policy shall promote the employment of nationals in the petroleum industry and the resulting employment created by the industry's chain or multiplier effect.

2.2.9 Impacts on Governance

(i) Relation With Neighbouring Countries

The petroleum activities are carried out in areas that sometimes border with other neighbouring countries e.g., the offshore exploration in the Albertine Graben may be carried out at border areas with the Democratic Republic of Congo, the EACOP goes through Tanzania, and importation of petroleum products in Uganda majorly transit through Kenya. The success of these

activities is hinged on the good relations with the neighbouring countries, which is achieved through inter-governmental cooperation Agreements.

In view of the above, the Policy shall promote transboundary cooperation based on existing foreign Policy principles and agreements. Furthermore, the policy shall compliment the programmes, projects and protocols formulated within the Great Lakes Region which are aimed at transforming the region from tensions, hostilities and underdevelopment; to security, stability and prosperity.

This Policy shall also support the negotiation and implementation of the Cooperation Agreements and the application of the principle of unitisation as a basis for sharing any oil and gas fields falling across any borders. In addition, the Policy will, where necessary, support the enhancement of the existing foreign Policy principles to facilitate harmonious implementation of petroleum activities.

(ii) Relation With Other Countries

The exploitation and utilization of petroleum products is an international phenomenon. The markets and technologies exist in complex global dynamics and as such international community cooperation is key to Uganda's resource development. Uganda's petroleum industry benefits from many Treaties, Conventions, Protocols, Bi, Tri and Multi-lateral agreements and Memoranda of Understanding (MoUs) with different Countries across the globe.

The country shall continue to engage in various international commitments as a way to foster sustainable exploitation of the country's petroleum resources.

2.3 Petroleum Potential and Opportunities

2.3.1 Sedimentary Basins

There are six sedimentary basins in Uganda as shown in Figure 2 and also described below.

(i) The Albertine Graben

The Albertine Graben is the most investigated area with the highest potential for petroleum exploration and production in the country to date. The Graben forms the northernmost part of the western arm of the East African Rift System. It stretches from the border between Uganda and South Sudan in the north to Lake Edward in the south, a total distance of approximately 500 km with an average width of 45 km. The graben straddles both the Democratic Republic of Congo and Ugandan borders, with the Ugandan part measuring approximately 23,000 km².

(ii) The Moroto-Kadam Basin

The Moroto-Kadam Basin is located in north-eastern Uganda covering the districts of Moroto, Napak, Nakapiripirit, Katakwi, Kween, Bulambuli, Kumi, Bukedea and Bukwo. It is predominantly a flat terrain measuring approximately 81 km in width and 74 km in length with a total surface area of approximately 5,672 km². The petroleum potential of the Moroto-Kadam basin is still under investigation and a lot of work is still needed to de-risk the basin.

(iii) The Hoima Basin

Hoima basin is an old sedimentary basin which lies to the east of the Albertine Graben, trending parallel to the rift strike direction. The basin occupies the current districts of Kibaale, Hoima, Kikuube, Masindi and Buliisa, covering an approximated area of 3,741 km². The basin is still under preliminary investigation to establish its petroleum potential.

(iv) The Kyoga Basin

Lake Kyoga basin is found in the Central region of Uganda covering parts of Amolatar, Kaberamaido, Dokolo, Buyende, Apac, Serere, Soroti, Pallisa, Ngora and Nakasongora districts with an approximated area of 7,831 km². The basin is still under preliminary investigation to establish its petroleum potential.

(v) The Lake Victoria and Lake Wamala Basins

The Lakes Victoria and Wamala Basins are situated in the central part of the country (Figure 2). Aeromagnetic surveys conducted in 1992 identified a thin sediment thickness which is considered not sufficient for the generation of petroleum.

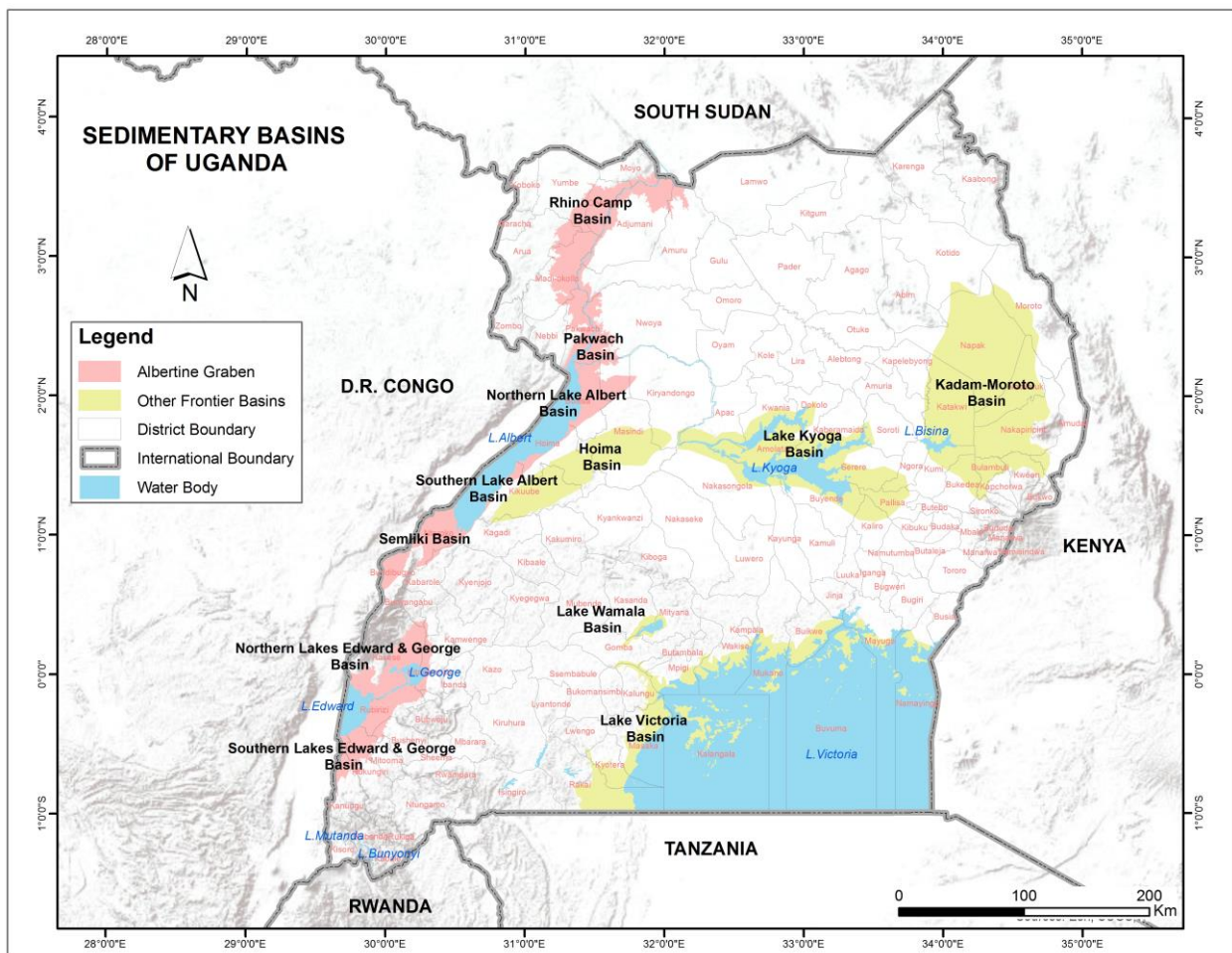


Figure 2: Map showing the sedimentary basins in Uganda



2.3.2 Petrochemical Industries

There are several petrochemical industries planned to be set up in the Kabalega Industrial Park. The key petrochemicals include; ethylene, propylene, butylenes, benzene, toluene, and xylenes among others. These petrochemical industries are important in value addition and decreasing the petroleum imports of the Country.

2.3.3 Petroleum Products Storage and Pipeline Network

(i) Bulk petroleum products Storage Facilities

The Government also plans to develop regional storage facilities to optimize the marketing and distribution of petroleum products in other regions of the country including Nakasongola, Gulu, Kasese, and Mbale. Engineering Design for the development of the 40 million litres Nakasongola Tank site is in place. The Ministry has also earmarked 20 acres of land from Nakasongola Military barracks for the development of this project. The Nakasongola project was packaged as a public project.

(ii) Kampala-Kigali petroleum products pipeline

There is a planned 12.5" and 434 km long pipeline that will distribute products in the western parts of the country and will terminate in Kigali, Rwanda. Feasibility studies were completed, and the project awaits funding from potential investors.

(iii) LPG infrastructure

These are sizeable storage facilities, filling plants, cylinder manufacturing and revalidation plants, accessory manufacturing and valves, and transport trucks for LPG that need to be enhanced in the country. This is aimed at reducing the logistical challenges of LPG consumption in Uganda.

2.4 Key issues affecting the petroleum industry

Sustainable exploration, development, production and utilization of petroleum resources in the country raise the following issues:

2.4.1 Petroleum Resource Base

The plans for exploiting, commercialising and utilising the country's petroleum resources are based on the current size of resource estimates which stands at; Stock Tank Oil Initially In Place (STOIIP) of 6.5 billion of oil and recoverable resources estimated at 1.4 billion barrels. The established resources are in only 40% of the explored area in the Albertine Graben. In addition, only 15% of the Albertine graben is currently licensed since part of the explored areas were relinquished. The inadequate exploration for the Albertine graben and the frontier basins is partly attributed to; limited investment, inadequate promotion and lengthy licensing processes.

Significant investment has been planned for the development and commercialisation of infrastructure of up to USD 15 billion. This investment is expected to be recovered, together with the return on investment, within a period of 25 years from the commencement of production. Although the reserves established in the country are sufficient to recover the investment made in putting up the development and commercialisation infrastructure, efforts must be made to increase the country's petroleum reserve portfolio. This will ensure a long-term and sustainable petroleum industry in the country. In addition, the petroleum industry globally is characterized by risks and one such risk is geological risk. This introduces a potential failure to realize the anticipated volumes of petroleum production. Increasing the country's resource base and reserves will therefore safeguard the investment made in the commercialisation infrastructure and avert a potential volume risk.

Therefore, in addition to the work being done in exploration areas already licensed, there will be a need to license other areas with the potential for petroleum production in the country. The areas that were earlier licensed

but subsequently relinquished will also require to be considered for relicensing. Whereas recent licensing rounds have been successful, they have not attracted significant investments in petroleum exploration of the offshore/lake areas. It is thus necessary that an alternative licensing process which is open-door based, be put in place and implemented alongside the competitive licensing rounds. This will be underpinned by significant efforts made by the Government in preliminary geological, geochemical, and geophysical data acquisition and promotion of areas with petroleum potential.

It is worth noting that the current resource base is conventional petroleum resources that has been established through conventional means. However, not all of the oil generated at the source is migrated into reservoirs. A sizable amount stays at the source and this presents future exploration potential. There is therefore need to establish the amount of unmovable/trapped hydrocarbons at the source and undertake promotion for its exploitation to supplement the commercialisation of conventional resources.

2.4.2 Efficient Production and Utilization of Discovered Resources

There has been a delay in achieving First Oil following the discovery of commercial petroleum resources in 2006. The delayed implementation of petroleum development and production processes has meant that the Policy goal of using the country's petroleum resources to contribute to the early achievement of poverty eradication and create lasting value for society has not yet been achieved. This has been partly attributed to project land requirements together with inadequate infrastructure such as processing facilities, pipelines, roads, railways, and airports to facilitate the development phase of the upstream and the midstream projects. It will therefore be necessary to fast-track the implementation of the petroleum development and production processes to enable timely and valuable exploitation of Uganda's petroleum resources.

In addition, the value attained from petroleum resources depends on its preservation through cost-efficient operations among other interventions. This includes the administration of the fiscal elements of petroleum agreements and budgetary disciplines in an effective way. This policy shall therefore promote effective cost management during the whole value chain of petroleum activities.

Furthermore, the Government is championing value addition to petroleum through refining and further processing to produce the relevant end products. However, significant delays in establishing the refinery will lead to persistent supply shortages and a high import bill for the said products. There will therefore be a need to expedite the development of a robust and competitive local refining sub-sector with significant private sector participation to ensure local product availability and product export.

2.4.3 Value Addition and Retention

The government plans to add value also retain the value obtained from the exploitation of these petroleum resources through targeted commercialization, refining and petrochemical processes, support other sectors of the economy, secure petroleum product reserves/stock, optimal participation of Ugandans and Ugandan enterprises, safeguarding the environment, and achieving public expectations at all levels across the petroleum value chain.

i. Refining and Processing

The refining and processing into significant end products for industry, such as complex petrol, diesel, other fuels, lubricants, and petrochemicals for textile, building, packaging, and agriculture increase the value of produced crude. However, significant delays in establishing the refinery and insufficient public-private partnerships for other related industries will lead to persistent supply shortages and high petroleum import bills. This policy recognizes the need to expedite the development of a robust and competitive local refining and petrochemical sub-sector with significant

private sector participation to ensure local product availability, product export and feedstock availability to related industries. Furthermore, the Policy will promote the growth of backward and forward linkages in the petroleum industry.

ii. Participation of Ugandans and Ugandan Enterprises

The extent to which Ugandan enterprises and citizens can participate in the petroleum supply chain and employment is still limited by their skills, qualifications, experience, and financial capacity together with their management and technological skills. The local enterprises have only been able to participate in the supply of lower-value contracts. It is therefore necessary to further acquire and develop the skills and technology necessary for the nationals to participate in the Country's petroleum industry.

iii. Support other sectors of the economy

The finite nature of extractive resources means that the revenues accruing from the country's petroleum resources shall be exhausted with time. This justifies the need to safeguard these resources and manage them in a manner that will create lasting benefits to society. The creation of strong linkages with the petroleum industry has the potential to enable the country to achieve its economic goals and objectives. Additionally, the creation of lasting benefits shall include the use of these resources to develop durable and competitive competencies through education, and infrastructure development, together with financial and social capital which will be useful beyond the life of petroleum. This Policy shall promote the development of linkages with other sectors of the economy to spur broad-based growth through industrialization, agricultural production, tourism, and human capital development through education, among others. The Policy shall also promote value addition to diversify the petroleum industry economy and to capture more value-added products across the petroleum value chain.

iv. Security of Petroleum Supply

Uganda is currently a net importer of petroleum products. This presents challenges such as oil price shocks, exorbitant prices, shortages, limited access to petroleum products across the country, adulteration and smuggling among others. This is exacerbated by inadequate investment in transport, storage, distribution and marketing infrastructure and a lack of in-country refineries. There is a need to increase investments in the petroleum supply infrastructure and diversification of supply routes, not only to ensure an adequate, reliable, efficient, and economical supply of petroleum products in the country but also to support the export of petroleum products refined in Uganda.

It is important to promote the use of the country's petroleum resources to meet domestic demand and support the energy mix, whilst ensuring a sustainable supply of imported products.

v. Safeguard the Environmental and Social Aspects

The exploitation and utilization of petroleum in Uganda presents great socio-economic prospects for the country. However, upstream and midstream petroleum activities and operations are carried out within or in the vicinity of areas of high ecological and biodiversity significance. Similarly, downstream petroleum activities are carried out in areas of higher populations due to the need for market outreach. This presents various challenges for environmental protection, community cohesion, conservation of cultural heritage and protection of social amenities.

Additionally, petroleum developments do cause the transformation of communities with better infrastructure and amenities as well as unintended impacts like an influx of people hence pressure on amenities, increase in crime rate, and competition for resources among others.

It is therefore necessary to systematically address environmental, social and climate change risk management issues pertaining to petroleum activities

in the country including strategies aimed at reducing greenhouse gas emissions from petroleum. In addition, participation and representation of all vulnerable and marginalised groups in petroleum exploitation is important for inclusive socio-economic development. However, women face economic and socio-cultural barriers which restrict their effective participation and representation in petroleum activities. The petroleum industry is highly capital-intensive and requires appropriate technology and enhanced capacity for the participation of men and women on an equal basis.

The policy seeks to promote equity and effective participation and decision-making in the petroleum industry.

vi. Health, Safety and Security

Health, safety, and security of personnel is a vital component of all operations in the petroleum industry. The processes, products, and working environment in the petroleum industry present significant risks that can pose serious health, safety, and security threats to the workers, the public, and assets.

From global experience, there are incidents that have caused damage to petroleum installations thereby occasioning significant loss of lives and assets. These incidents are a reminder that health and safety should always be at the forefront of any operation in the petroleum industry. It is therefore necessary to engage and influence stakeholders, create knowledge and awareness of health and safety risks, and encourage behaviour change, as well as enhance the health and safety legislation as may be required.

vii. Public Expectations

There are significant expectations in the country arising from the enormous benefits that are known to accrue from extractive resources. Similarly, there is significant anxiety arising from a perceived lack of transparency in the management of the petroleum industry, especially by the state actors. The

latter is born out of the experience of poor management of natural resources in other countries, especially in Africa. Although there are efforts to address these concerns currently, further work will be needed especially during petroleum production when real petroleum revenues are realized. Timely information dissemination will go a long way in establishing and maintaining public trust. A constructive dialogue together with respectful and mutually beneficial relationships between the state, oil companies and other stakeholders will continue to be an important basis for the creation of trust.

2.5 Problem Statement

Petroleum in this Policy refers to any natural or refined hydrocarbons or mixture of one or more hydrocarbons (whether in a gaseous, liquid or solid state) or with any other substances.

Petroleum is found naturally occurring underneath the surface of the Earth and/or above the ground in crude or processed form. The series of value chain processes make petroleum socially beneficial through environmental sustainability and prudent national participation. The petroleum value chain processes include exploration, appraisal, development, production, refining, conversion, transmission, transportation, processing, storage, marketing, distribution and utilization of petroleum.

The key issues affecting the petroleum industry that were identified through the Regulatory Impact Assessment include: inadequate establishment of resource base, inefficient production and utilisation of discovered resources and limited in-country value creation and retention. The issues are caused by: Inadequate exploration of petroleum resources; Inefficient management of the country's oil and gas resources; Unsustainable supply of petroleum products in the country; Limited commercialisation of the produced petroleum; Limited national capacity and technology transfer for the petroleum industry; Inadequate national

participation in the petroleum industry; Inefficient environmental and social management in the petroleum industry; Inadequate quality health, safety, security, and work environment in petroleum operations and; Limited transparency and accountability in the petroleum industry.

The perseverance of these challenges in the petroleum industry may affect the Country's economy in several ways, which include the low contribution of the petroleum industry to the National GDP which was at 0% as of 2025, low crude oil volume produced at 0 million barrels per year as of 2025, low investment in the petroleum industry which was at USD 7.5 billion as of 2023, low number of employment opportunities which are at 15,387 Ugandans employed in the petroleum industry as of 2025, low value of contracts awarded to Ugandan Companies at 27% as of 2025, a high percentage of petroleum products import bill to the total import bill at 10% as of 2024, few number of days of stock levels available in the country at 10 days, high greenhouse gas emissions associated with petroleum activities at 30 kgCO₂e as of 2025, low petroleum industry governance effectiveness index at 78.5 % EITI ranking, low levels of diversity, equity and social inclusion in petroleum activities and low levels of gender inclusion in petroleum activities at 33% of women employed in the petroleum industry as of 2025.



3.0 PETROLEUM POLICY DIRECTION

3.1 Policy Vision

Excellence in sustainable management and utilisation of petroleum resources

3.2 Policy Mission

To explore, develop, produce and utilize petroleum resources by leveraging the right mix of domestic and foreign investments to create lasting value to society.

3.3 Policy Goal

To sustainably exploit and utilize Uganda’s petroleum resources in a manner that maximizes in-country value addition, fosters equitable socio-economic development, and safeguards the environment.

3.4 Policy Objectives

- i. To enhance exploration for petroleum resources in the country.
- ii. To efficiently manage the country’s petroleum resources.
- iii. To ensure commercialisation of the produced petroleum.
- iv. To ensure an efficient and sustainable supply of quality petroleum products in the country”
- v. To develop national capacity and ensure technology transfer for the petroleum industry
- vi. To ensure optimal national participation in the petroleum industry.
- vii. To ensure sound environmental and social management in the petroleum industry
- viii. To enhance quality, health, safety, security, and work environment in petroleum operations
- ix. To enhance transparency and accountability in the petroleum industry.



3.5 Guiding Principles

The following principles will guide the implementation of the Policy:

(i) Transparency and Accountability

This Policy recognizes the important roles different stakeholders have to play in order to achieve transparency and accountability in petroleum activities. Openness and access to information are fundamental rights in activities that may positively or negatively impact individuals, communities, and states. It is important to ensure disclosure of information that will enable stakeholders to assess how their interests are being affected. This principle will promote effective governance and leadership through democratic processes at all levels. The leadership in the sector shall hold service providers accountable on matters that affect them and the communities at the same time be held responsible for their actions. The Policy shall therefore promote high standards of transparency and accountability in licensing, procurement, exploration, development, and production operations as well as management of revenues accruing from petroleum. The Policy will also support the disclosure of payments and revenues from petroleum using simple and easily understood principles in line with acceptable national and international financial reporting standards.

(ii) Efficient Petroleum Resource Management

Petroleum is a non-renewable resource and therefore the resources get depleted with time. To ensure that petroleum production in the country is prolonged as far as possible, additional resources must be discovered. In addition, the resources under production need to be produced as efficiently as possible to achieve prolonged production profiles. This policy shall therefore promote continued petroleum exploration of conventional as well as unconventional resources to grow the reserve portfolio and ensure maximum use of the production and commercialisation infrastructure that will be developed in the country. The policy will also promote efficient

reservoir management practices to; ensure that as much as possible of the petroleum discovered is produced and the production profiles are prolonged and ensure efficient development and production of existing and future major oil and gas projects to increase the value creation of these projects to the benefit of Uganda. Petroleum activities should be undertaken most efficiently and effectively so as to maximize their returns. Cost-efficient choices can be achieved through competition among licensees, operators, and suppliers. The competition enables selection of the most capable and efficient operators, the best quality, and the most reliable suppliers thereby ensuring high levels of productivity. Similarly, efficient technical evaluation of petroleum discoveries enables the most economic choices of field development and profitability of petroleum projects. This Policy therefore strives to ensure that petroleum resources are managed sustainably and efficiently through reducing costs of operations and ensuring that effective technical assessments are undertaken. Optimal use of Facilities for the production and transportation of oil and gas is important for efficient resource management. In this respect, third-party access and the common use of spare capacity are important in resource management and stakeholders shall be obliged to enable this usage of spare capacity in all facilities in accordance with applicable legislation. The Policy will support fair competition to improve the efficiency and productivity of facilities in petroleum operations.

(iii) Partnerships, collaborations and Stakeholder Engagement

Petroleum is a national natural resource wealth/ asset and shall benefit all Ugandan Citizens. The policy will promote multi-sectoral collaboration through building on existing partnerships and fostering new partnerships and collaborations with stakeholders both state and non-state actors to achieve respectful and trustful relationships. Stakeholder involvement in policy designing, implementing, monitoring and evaluating Petroleum programmes shall be paramount in creating ownership and successful implementation of the policy. The government will engage MDAs, Private

Sector Players, CSOs, Public, Multi and Bi-lateral Agencies/Development partners addressing policy and legal issues of importance to the sector.

(iv) Optimising National Participation, Inclusion and Non-Discrimination

The decisive factors to achieve lasting value to society are the people, their natural abilities, education, and training. The petroleum is a natural resource intended to benefit all Ugandans through revenues generated across the entire value chain. Additionally, the Policy shall promote the country's human resource development to participate in the petroleum industry, development of the capacity of local enterprises, transfer of specialized technology, knowledge, and skills to Ugandan nationals, and use of goods and services locally available in the country. The policy shall be intentional in engaging an array of vulnerable populations including women, youth, indigenous communities, Workers, and PWDs, Older Persons through their governance structures in planning, implementation, Monitoring and Evaluation of strategic planned interventions. All State and Non-State actors to ensure that equal opportunities are accorded to vulnerable Persons regardless of disability status, tribe, religion and region/residence are included in petroleum-designed programmes. The policy will ensure that affirmative action is applied where imbalances exist regarding employment or resource and regional distribution for improved service delivery.

(v) Environment Protection and Sustainability

Petroleum operations have the potential to cause irreparable damage to the environment, and biological diversity and compromise the health, safety and security of the people if not well managed thereby affecting the sustainable development of the country. It is important that health, safety social security, environmental and biodiversity issues are integrated into the planning and development of the petroleum industry. The Petroleum sector will be supported to adopt cleaner and more efficient technologies

and efforts will be made to invest in specially designed climate change mitigation programmes that include the promotion of cleaner production practices, recycling of waste, waste disposal management, and resource (energy and water) efficient management programmes. Sustainable development entails that the activities of the current generation shall not put a burden on future generations, especially with regard to degradation of the environment, social systems and loss of biodiversity. This policy shall therefore contribute to and promote sound and sustainable practices in the management of petroleum operations and ensure compliance with national and international environmental, health, safety, social and security regulations, and standards. The policy shall ensure that it is the responsibility of licensed oil companies to protect the environment, people and social well-being where they work or any areas in the country impacted by their operations while the government shall legislate, regulate, and monitor compliance. The emissions from petroleum exploitation have detrimental climatic effects. These depend on a number of factors including; technology and techniques used, climate change mitigation and adaptation measures, the carbon markets and monitoring, reporting and verification of climate change data. The policy shall support the continued implementation of climate change-relevant strategies and actions (adaptation and mitigation) as set out in the Uganda National Climate Change Policy. This policy shall also support strategies aimed at reducing greenhouse gas emissions during the execution of petroleum-related activities and operations along the entire value chain. The shared resources with the communities and their social heritage are important aspects of people's lives and well-being. This policy shall promote the common use of these resources in a manner that improves the living standards and is in the best interest of the local population.

(vi) Health, Safety and Security (HSS)

Compliance with health, safety and security in the petroleum industry shall be embedded in the life cycle of all petroleum projects. This should start



from the planning and design of facilities, through construction, operation, asset management and maintenance as well as decommissioning. To ensure an efficient Health, Safety and Security management of the industry, these processes shall consider the inherent hazards and management of the associated risks to as low as reasonably practicable. This shall entail compliance by the operators with the relevant legal and regulatory framework for health and safety management as well as international standards and best practices.

(vii) Policy and Legal harmonization at National, Regional and Global Level

The implementation of this Policy will ensure that there are linkages of the national, regional and global commitments and dispensations to which Uganda is a signatory to abide by international legal and policy standards and accountability frameworks.

(viii) Human Rights-Based Approach and Gender and Equity Responsiveness

In implementing this policy, the Human Rights Based Approach shall be used. This will ensure that all legislation and programming by government and non-state partners enhance the participation of women, PWDs, youth, and workers and the protection of children and the rights of Older Persons. The policy shall provide a platform and space for vulnerable groups to participate in the planning, implementation, Monitoring and Evaluation of interventions. The implementation of this Policy will ensure there are deliberate investments for gender and petroleum-sensitive interventions. The emphasis will be on advancing Gender and equity-responsive projects both downstream and upstream that provide equal opportunity for both men and women in training, employment and promotion of incentives for women and youth participation. The government will prioritize and facilitate the growth of women and youth-owned Petroleum-led downstream enterprises as well as facilitate learning exchange,

and capacity-building programmes with large companies both locally, regionally, in continental and Global levels. Child protection will be a key human right uplifted by the sector. It will ensure child labour is not promoted at any petroleum work sites and clear grievance redress mechanisms and justice pathways are designed for all sector players to build confidence and economic growth.

(ix) Research Evidence-Based Implementation and Knowledge Management

The policy will thrive on research on economic and social workable models and other forms of evidence shall be employed to assess the impact of the sector on the economy and the public through improved service delivery.

3.6 Justification/Rationale

The Regulatory Impact Assessment of Uganda's current petroleum policy framework identified several critical gaps and challenges within the sector, including low resource optimization, limited local value addition, and insufficient social and environmental safeguards. The assessment analyzed a range of policy options to address these deficiencies and recommended the development of a comprehensive National Petroleum Policy. This new policy is intended to provide a clear, coherent, and forward-looking framework that enhances exploration, production, investment, local content, environmental protection, and socio-economic benefits, thereby ensuring that Uganda's petroleum resources contribute optimally to sustainable national development, aligning the petroleum sector development with Uganda Vision 2040 and National Development Plans.

3.7 Policy Outcomes and Targets

The policy implementation will result in several outcomes which include:

- i. Increase the petroleum industry's contribution to the national GDP from 0% in 2025 to 12% by 2030, driven by expanded production, value addition, and revenue optimization.

- ii. Increase annual crude oil production from 0 million barrels in 2025 to 84 million barrels per year by 2030, supported by enhanced exploration, efficient extraction, and optimal reservoir management.
- iii. Increase total investment in the petroleum industry from USD 7.5 billion in 2023 to USD 20 billion by 2030, through improved investment climate, infrastructure development, and regulatory stability.
- iv. Expand petroleum sector employment opportunities from 15,387 Ugandans in 2025 to 160,000 by 2030, with a focus on skills development, local content growth, and career progression.
- v. Increase the share of contracts awarded to Ugandan companies from 27% in 2025 to 80% by 2030, by strengthening local capacity, financing access, and technology transfer mechanisms.
- vi. Reduce the share of petroleum products in the total import bill from 10% in 2024 to 1% by 2030, by enhancing domestic refining capacity, storage, and distribution networks.
- vii. Increase national petroleum product stock levels from 10 days in 2025 to 30 days by 2030, ensuring supply security and resilience against market disruptions.
- viii. Reduce greenhouse gas emissions from petroleum activities from 30 kgCO₂e per barrel in 2025 to 20 kgCO₂e per barrel by 2030, through adoption of cleaner technologies and best environmental practices.
- ix. Improve petroleum industry governance effectiveness from 78.5% EITI ranking in 2022 to 90% by 2030, by strengthening transparency, accountability, and community engagement.
- x. Enhance diversity, equity, and inclusion in the petroleum industry, including increasing women's participation from 33% in 2025 to 50% by 2030, and expanding opportunities for marginalized and underrepresented groups.



4.0 POLICY STRATEGIC INTERVENTIONS

4.1 Strategic Objective One

To enhance exploration for petroleum resources in the country.

Policy Statement

The government shall promote continued petroleum exploration of conventional and unconventional resources to grow the reserve portfolio and ensure maximum use of the production and commercialisation infrastructure that will be developed in the country.

Strategic Actions

- i. Carry out preliminary data acquisition
- ii. Enhance resource assessment to obtain a better understanding of the petroleum potential of the country.
- iii. License new exploration areas in the Albertine Graben and other prospective basins in the country for petroleum exploration
- iv. Carry out the promotion of acreage to attract further investment in petroleum exploration in the country.
- v. Improve the accessibility of petroleum data to potential investors.
- vi. Establish alternative licensing approaches to attract investment in petroleum exploration.
- vii. Promote technology that ensures an increase in recovery factors
- viii. Undertake effective evaluation of licensed acreage
- ix. Ensure regular licensing



4.2 Strategic Objective Two

To efficiently manage the country's petroleum resources.

Policy Statement

The Government shall promote efficient reservoir management practices to ensure that as much as possible of the petroleum discovered is produced and the production profiles are prolonged. It will also ensure the efficient development and production of existing and future major oil and gas projects to increase the value creation of these projects to the benefit of Uganda.

Strategic Actions

- i. Enhance the capacity of Government institutions to promote, license, monitor, regulate, administer and carry out petroleum activities and operations
- ii. Develop systems to increase efficiency in data management and leverage the use of digital technologies.
- iii. Enhance technical and economic assessment of petroleum projects.
- iv. Strengthen efficient licensing, monitoring and regulation of petroleum activities.
- v. Enhance the investment in development, production and commercialization infrastructure.
- vi. Expedite the processes in the acquisition of land for the establishment of the production and commercialization infrastructure.
- vii. Enhance state capacity to participate in the development and production of the country's petroleum resources.
- viii. Promote efficient reservoir management during petroleum production to achieve an extension of the life of the fields.
- ix. Build additional capacity in fiscal management and negotiation in the petroleum industry.

- x. Strengthen the regulatory framework for metering, tariffs and decommissioning.
- xi. Promote efficient cost management of petroleum operations.
- xii. Enhance coordination among relevant institutions and agencies.
- xiii. Enhance common-use of infrastructure through third-party access.

4.3 Strategic Objective Three

To ensure commercialisation of produced petroleum.

Policy Statement

The Government shall promote diversification of the petroleum industry economy and commercialise more value-added products across the petroleum value chain.

Strategic Actions:

- i. Support the development of infrastructure for petroleum processing in the country.
- ii. Support the development of efficient transportation and storage infrastructure for petroleum in the country.
- iii. Promote research and technology initiatives geared towards optimal use of products from the intermediates and feedstock.

4.4 Strategic Objective Four

To ensure efficient and sustainable supply of quality petroleum products in the country

Policy Statement

The Government shall promote effective regulation of the liberalized downstream market to ensure fair competition and consumer protection. It will also support the use of the country's petroleum resources to meet domestic demand and export the surplus within the region and subsequently overseas

Strategic Actions:

- i. Enhance monitoring the quality of petroleum products.
- ii. Increase investment in product pipelines and storage.
- iii. Enhance the affordability of petroleum products to consumers.
- iv. Promote the use of natural gas as an alternative source of energy.
- v. Promote competition in the downstream petroleum industry.
- vi. Establish and manage data effectively in the downstream sub sector.
- vii. Increase investment in blending infrastructure.
- viii. Diversify petroleum supply routes and transportation modes.
- ix. Carry out the licensing of all downstream infrastructure.
- x. Improve knowledge amongst stakeholders on the processes of establishing petroleum supply companies.
- xi. Establish clear penalties for non-compliance to downstream standards.
- xii. Strengthen capacity to monitor and enforce regulations and standards in the downstream subsector.
- xiii. Initiate and support the development of standards to regulate petroleum supply.

4.5 Strategic Objective Five

To develop national capacity and ensure technology transfer for the petroleum industry

Policy Statement

Government shall promote the country's human capital development to participate in the petroleum industry and acquire specialized technology, knowledge, and skills.

Strategic Actions:

- i. Enhance the training of Ugandans in the management of petroleum operations.

- ii. Support the review of the education curricula in the country to develop the workforce required for petroleum activities.
- iii. Strengthen the frameworks to enhance technology and knowledge transfer in the petroleum industry.
- iv. Establish a petroleum research and development Centre.
- v. Strengthen the capacity of the country's persons and enterprises to participate in the delivery of goods and services for the petroleum industry.
- vi. Strengthen the requirements for joint-venture partnerships between local and foreign companies to promote national capacity development.
- vii. Ensure training of Ugandans by licensed oil companies and their subcontractors.
- viii. Support specialized training Institutions in becoming centres of excellence in petroleum training.

4.6 Strategic Objective Six

To ensure optimal national participation in the petroleum industry.

Policy Statement

The Government shall develop the capacity of local enterprises to independently take forward petroleum operations and promote the use of goods and services locally available in the country. It will also promote the development of linkages with other sectors of the economy to spur broad-based growth through industrialization, agricultural production, and tourism, among others.

Strategic Actions:

- i. Support the enhancement of the financial and technical capacity of local enterprises to participate in petroleum and to partner with foreign firms.



- ii. Foster and harness the creation of linkages between the petroleum industry and key sectors of the economy.
- iii. Enhance the capacity of the national oil company to participate in petroleum activities.
- iv. Evaluate the need for the establishment of more state-owned enterprises to participate in other strategic areas for the petroleum industry value chain.
- v. Enhance indigenous capability in the petroleum industry.

4.7 Strategic Objective Seven

To ensure sound environmental and social management in the petroleum industry

Policy Statement

The Government shall contribute to and promote sound and sustainable practices in the management of petroleum operations.

The Government shall also promote the common use of these resources in a manner that improves the living standards and is in the best interest of the local population.

Actions:

- i. Develop waste management infrastructure and a comprehensive waste management framework for the petroleum industry.
- ii. Support climate-smart research, technology, and skill development for prudent environmental management.
- iii. Strengthen environmental legal frameworks and enforcement mechanisms for the petroleum industry.
- iv. Strengthen capacity for monitoring, inspection, and enforcement of environmental and social standards in petroleum activities.
- v. Enhance mechanisms to address environmental and social grievances, disputes, and conflicts arising from petroleum operations.

- vi. Encourage the use of LPG to mitigate deforestation from biomass use and support clean energy integration to reduce the country's carbon footprint.
- vii. Develop biodiversity monitoring tools and protocols to maintain species diversity in petroleum areas.
- viii. Support climate change adaptation and mitigation efforts in the petroleum operations.
- ix. Support mechanisms to minimise emissions in petroleum operations.
- x. Support diversity, equity and inclusion of all categories of Ugandans including persons with disabilities, the elderly, youths and women in the petroleum industry.
- xi. Support early spatial planning for petroleum activities.
- xii. Support the development of infrastructure for proper decommissioning.

4.8 Strategic Objective Eight

To promote quality, health, safety, security, and work environment in petroleum operations

Policy Statement

The Government shall promote the quality, safety, security and health in developing and delivering petroleum resources.

Strategic Actions:

- i. Strengthen and enforce the regulatory framework for health safety and work environment in petroleum operations.
- ii. Develop and implement health safety and security regulatory tools for compliance monitoring in the petroleum industry.
- iii. Coordinate with security agencies involved in the petroleum industry to avert any security threats to operations.
- iv. Undertake quality control and assurance of substances and equipment used in the industry



- v. Enforce a sound health safety and security culture and best practices among stakeholders.

4.9 Strategic Objective Nine

To enhance transparency and accountability in the petroleum industry.

Policy Statement

The Government shall promote high standards of transparency and accountability in petroleum operations and support the disclosure of information using simple and easily understood principles in line with acceptable national and international reporting standards.

Strategic Actions:

- i. Develop and implement a responsive and dynamic communication strategy for the petroleum industry.
- ii. Strengthen coordination and collaboration within Government entities and with other key stakeholders.
- iii. Ensure publication and disclosure of information in line with international best practices and standards
- iv. Improve access to information in the petroleum industry.
- v. Establish strategic partnerships with key stakeholders.
- vi. Embrace a sustainable and inclusive corporate social investment culture for local economic and social development.



5.0 POLICY LINKAGES AND CROSS-CUTTING ISSUES

5.1 Linkages to other policies and legislations

5.1.1 International and Regional Commitments

Uganda is a signatory to a number of both international and regional instruments with critical implications for the sustainable development of petroleum resources. Key principles in these obligations include; the protection and promotion of human rights, including the rights of women and children, workers; community development, protection of the environment, health and safety, transparency and accountability. The international and regional instruments include; The United Nations Framework Convention on Climate Change, Paris Agreement, United Nations Guiding Principles on Business and Human Rights, Extractive Industries Transparency Initiative, the Africa Mining Vision (2009), African Agenda 2063 on ambition for development and transformation of Africa, EAC Industrialization Policy 2012-2032, East African Community Guidelines on Environmental assessment for shared eco-systems in EAC (2007), among others.

In the exploitation and development of Uganda's petroleum resources, the country is committed to complying with the principles of the regional and international obligations for the sustainable exploitation of petroleum resources.

The policy, therefore, seeks to uphold the above commitments in the exploitation, commercialization and utilization of petroleum resources for social and economic development.



5.1.2 National Policies and Laws

The successful implementation of the National Petroleum Policy will contribute to and require the support of the Constitution of the Republic of Uganda and other national policies. The National Policies relevant to the petroleum industry include:

- i. Energy Policy for Uganda, 2023. This provides for the management of universal access to sustainable, affordable and quality energy services for all Ugandans by 2033.
- ii. Local Content Policy for the Oil and Gas Industry, 2018. This provides for the participation of Ugandan citizens and enterprises in the petroleum industry of Uganda.
- iii. The National Environment Management Policy, 1994. This requires all production activities to be undertaken in a manner that leads to the protection of the environment.
- iv. The Oil and Gas Revenues Management Policy for Uganda, 2012. This provides for the management of petroleum revenues to achieve sustainable economic and social transformation for the country.
- v. Climate Change Policy, 2015. This provides for ensuring that all stakeholders address climate change causes and impacts through appropriate measures while promoting sustainable development and a green economy.
- vi. Environment and Social Safeguards Policy, 2018. This provides a framework to ensure that all environmental and social safeguards are adequately addressed in Uganda.
- vii. The National Land Policy, 2013. This provides for land acquisition, compensation, and resettlement for the development of projects.
- viii. The Gender Policy, 2007. This provides for gender inclusion in the petroleum development.
- ix. National Industrial Policy, 2020. This provides a framework for Uganda's industrialization, Employment and Wealth Creation.

- x. National Youth Policy 2016, provides for empowerment of youth in skills development, enhancing their productivity and unlocking their potential for sustainable wealth creation.
- xi. The National Culture Policy 2006 provides for national identity, appreciation of the significance and value of Uganda's cultural heritage towards the realization of Uganda's development goals and integration of culture into development.
- xii. National Employment Policy 2006 provides for decent and remunerative employment for all women and men seeking such work, in conditions of freedom, equity, security and human dignity.
- xiii. Revised National Policy on Persons with Disabilities, 2023 provides for the full realization of inclusion and resilience for Persons with Disabilities whilst suggesting disability inclusion across the entire development spectrum and among stakeholders from National to household levels.
- xiv. Agriculture Policy, 2013. This provides linkages to transform subsistence farming into sustainable commercial agriculture.

The laws linked to the petroleum industry include:

- i. The Public Finance Management Act, 2015 (as amended) provides for the management of the petroleum revenue. The Act established the petroleum fund and provided for the management of the petroleum revenues, investment reserve and Royalty sharing.
- ii. The National Environment Act No.5, 2019 provides for the sound management of the environment for sustainable development and emerging environmental issues including climate change. NEMA is mandated to coordinate, monitor, regulate and supervise all activities relating to environment enhance enforcement and establish environmental protection forces among others
- iii. The Income Tax Act (as amended) that provides for the taxation of the petroleum operations



The National Petroleum policy also has linkages with relevant contractual frameworks including the Model Production Sharing Agreement (PSA). This provides a basis for negotiating PSAs and preparing resource extraction company(ies) to the industry/sector requirements. The model PSA is reviewed occasionally to take into account the new policies, the changing business environment in Uganda's petroleum industry and global dynamics.

5.2 Crosscutting Issues

This Policy recognises all cross-cutting issues that affect petroleum development and require to be mainstreamed throughout all stages of petroleum development. It may not define strategies and actions required to achieve the desirable outcomes on the cross-cutting issues identified herein because the strategies and actions are best articulated in the relevant policies.

This Policy will promote positive impacts of petroleum activities and propose mitigation measures against any negative impacts relating to the following cross-cutting issues.

5.2.1 Climate Change

The products from the petroleum industry are some of the contributors of greenhouse gas emissions to the environment that lead to detrimental climatic effects. As a result of this, the global energy landscape is changing both in terms of the energy mix and the dominant energy markets. These changes are currently driven by a number of factors including environmental concerns and technological advancement.

Greenhouse gas emissions -reductions shall be achieved by the planned use of the country's petroleum resources to produce liquified petroleum gas which is a cleaner fuel. The production of liquified petroleum gas and its use both in the country and in the region shall significantly reduce dependency on biomass fuel, which is responsible for massive deforestation in Uganda.

The policy seeks to ensure that the carbon footprint in the petroleum industry is as low as possible through the use of the best available technology.

5.2.2 Gender and Equity Mainstreaming

Participation and representation of women and men in the petroleum industry are important for inclusive socio-economic development. However, some vulnerable and marginalized groups face economic and socio-cultural barriers which restrict their effective participation and representation in petroleum activities. The petroleum industry is highly capital-intensive and requires appropriate technology and enhanced capacity for the participation of all human beings on an equal basis.

The policy seeks to promote equity and inclusion to ensure effective participation and decision-making in the petroleum industry.

5.2.2.1 Occupational Safety and Health

Petroleum operations may cause hazards that could impair the health and well-being of workers and impact the surrounding communities and the general environment.

This Policy shall promote occupational safety and health in developing and utilizing the country's petroleum resources.

5.2.3 Human rights

Petroleum activities take place in areas with host communities, employ people and impact shared resources such as water. These activities also require access and acquisition of land that may be privately owned. As such, the management of petroleum activities entails dealing with people and their assets and therefore increases the potential of these interactions to cause violation of human rights.

The policy recognizes that human rights contribute positively to economic growth and shall therefore support measures to address the human rights issues linked to petroleum operations.

5.2.4 HIV and AIDS

Petroleum activities attract several people from different walks of life into petroleum host communities, seeking employment and business opportunities. This population influx puts a social and economic burden on local health services and may lead to increased prevalence of both communicable and non-communicable diseases such as HIV and AIDS.

This policy shall promote the development of institutional and technical capacity to plan for and implement HIV/AIDS intervention programmes in the areas for petroleum operations.

5.2.5 Transparency and Accountability

Citizens are the major key stakeholders of the petroleum resources in the country and as such resource wealth is managed on their behalf to create sustained prosperity. Information sharing and disclosure at all levels of resource exploration, exploitation and utilization is critical in ensuring public accountability and inclusiveness. Information about the industry must be accessible to stakeholders for their updates, contributions and appreciation of the manner in which the industry is managed. The register of beneficial ownership is a good consideration in this regard.

Uganda joined the Extractive Industries Transparency Initiative in an effort to improve transparency and accountability in the extractives industry. This is in line with Uganda's Vision 2040, which emphasizes the need to foster transparency in the management of public affairs.

This policy recognizes that transparency is not only a cornerstone for accountability but also ensures scrutiny of behaviour which provides a strong deterrent against corruption and an incentive for improved performance across all levels of government.

5.2.6 Anti-Corruption

The discovery of petroleum and the subsequent transition of the country to a petroleum-producing province presents numerous opportunities which are meant to improve the standards of living. These opportunities include employment of Ugandan nationals, contracts for the provision of goods and services to the industry as well as enhancement of government revenues.

However, these potential opportunities can be undermined by corruption if not averted. This is especially so because of the numerous examples of oil-producing countries, particularly in Africa, where the discovery and production of petroleum have not resulted in the improvement of the well-being of citizens.

This Policy shall therefore promote and support the initiatives geared towards averting corruption in the industry and across all levels of Government.





6.0 IMPLEMENTATION FRAMEWORK

6.1 Implementation Approach

The implementation of this policy shall be underpinned by a “whole government” approach to integrate and align various plans and resources across government MDAs. To operationalize the policy, five-year implementation plans will be developed, identifying specific actions, responsibilities and timeframes for action in line with National Development Plans and Vision 2040. From each 5-year Implementation Plan, an Annual Costed Work Plan will be developed and funded by the government through MDAs' Ministerial Policy Statements plus support from Development Partners. District Local Governments will be provided with technical support by line MDAs to integrate/ mainstream policy implementation interventions into their 5-year rolling plans and annual work plans and budgets across responsible sectors. The first 5-year Implementation Plan covers the period FY 2025/2026 - FY 2030/2031.

6.2 Institutional Coordination and Reporting

6.2.1 National Leadership and Coordination

The Ministry responsible for overseeing and coordinating the implementation of the policy will be the Ministry of Energy and Mineral Development. The Ministry guided by the Cabinet shall provide strategic direction for the overall petroleum industrial development agenda. The implementation of the policy objectives will be multi-sectoral and cut across different Ministries Departments and Agencies and therefore, the MEMD shall provide the coordination and consultation forum.

6.2.2 Inter-Agency and Intersectoral Collaboration

For effective coordination, a multi-sectoral committee established at the MEMD shall coordinate with all petroleum industry players to promote a

collaborative multisectoral approach to implement the strategic actions. The committee, headed by the Minister of Energy and Mineral Development shall be constituted by different top technical staff of key entities depending on the issues at hand. These may include top management of relevant ministries, executive officers and directors from Government departments, agencies and non-state actors engaged in the industry. These shall provide technical insights and advisory on issues and guide on proper strategic interventions. When required, the MEMD shall provide the secretariat and will ensure that comprehensive terms of reference are developed for the committee, clearly identifying members, roles, responsibilities, resource requirements, meetings and reporting schedules.

6.2.3 Local Government level

At the sub-national level, the district local government shall offer support in matters regarding the exploitation and utilization of petroleum resources in respective areas. At the Local Government level, the Accounting Officer will identify a focal point officer on Oil and Gas matters to advocate and report on issues of concern affecting the local populations within the Local Government.

6.3 Stakeholders, roles and responsibilities

The roles of the stakeholders will vary depending on their mandates and functions. However, changes in the institutions, structures, systems, procedures and regulations may take place to improve efficiency and effectiveness in implementation.

A detailed description of the roles of institutions in delivering a multi-disciplinary petroleum industry is shown below.

6.3.1 The Roles of Cabinet

- i. Putting in place a National Petroleum Policy
- ii. Authorizing drafting and approving submission of the required petroleum legislation to Parliament.

- iii. Approving the petroleum administration.
- iv. Consenting to Production Sharing Agreements.

6.3.2 The Roles of Parliament

- i. Enacting petroleum legislation.
- ii. Enacting legislation for the management of petroleum revenues.
- iii. Monitoring performance in the petroleum industry through Policy statements and annual budgets.

6.3.3 Office of the Prime Minister

- i. Coordinate inter-ministerial efforts to align petroleum policy initiatives with Uganda's overall national development agenda and ensure effective cross-sectoral collaboration.
- ii. Develop and oversee contingency plans for managing emergencies or disasters associated with petroleum operations, ensuring community safety and quick response capabilities.
- iii. Lead coordination efforts for community engagement, especially where resettlement is necessary, ensuring fair and transparent processes.
Supervise the implementation of the National Petroleum Policy across ministries, assessing progress, and resolving any inter-agency challenges.

6.3.4 The Roles of the Ministry Responsible for Petroleum

The MEMD is responsible for policy guidance and supervision of the work of the petroleum of the petroleum industry. It is charged with critical roles of Policy formulation and implementation, promotion and licensing. These roles are key in setting the pace for the industry and attracting the required investment.

The complexities of the current phases of development and the trends in the industry necessitate the establishment of specialist groups for research, investment promotion and project-dedicated desks under the MEMD to

facilitate institutionalized implementation of the programs and projects emanating from the policy, offer technical support in promoting projects and keep regular track of local and international developments.

As such, the Policy recognizes the need to strengthen the capacity of the Ministry to efficiently carry out its roles.

The specific roles of the Ministry through the Upstream, Midstream and Downstream Departments shall include:

- i. Undertake the technical roles of the Minister.
- ii. Undertake promotion of the country's petroleum potential.
- iii. Undertake preliminary investigation of the resource potential for frontier areas.
- iv. Initiate, develop and implement petroleum policies, laws and regulations.
- v. Undertake licensing for the entire petroleum value chain.
- vi. Undertake the evaluation, assessment and reporting of the country's petroleum resource potential.
- vii. Approve the field development plans.
- viii. Promote investment in the Petroleum Industry.
- ix. Ensure monitoring and evaluation of the Policy implementation.
- x. Propose Petroleum Administration.
- xi. Supervise the performance of government institutions in the Petroleum industry.
- xii. Negotiate and endorse relevant Petroleum agreements.
- xiii. Initiate and/or support the development of national standards relevant to the petroleum industry.
- xiv. Promote the development of petroleum refining, gas conversion, pipelines, transmission pipelines and midstream storage facilities.
- xv. Promote public safety and protection of public health and the environment in relation to the petroleum industry.
- xvi. Promote transparency in the petroleum industry.
- xvii. Approve petroleum data management systems.

- xviii. Ensure appropriate communication and dissemination of information on petroleum activities.
- xix. Ensure coordination of petroleum activities.
- xx. Promote and ensure capacity building and technology transfer in the petroleum industry.
- xxi. Promote the participation of nationals in the petroleum industry.
- xxii. Foster and harness intersectoral linkages in the petroleum industry.
- xxiii. Promote Research and Development in the petroleum industry.
- xxiv. Ensure acquisition of land for petroleum infrastructure projects.
- xxv. Determine the option to exercise state participation.
- xxvi. Pre-empt petroleum and petroleum products marketed under any license in the event of a national emergency.

6.3.5 The Roles of the Petroleum Authority of Uganda (PAU)

The Authority regulates licensees in the entire petroleum value chain. The policy recognises the need for comprehensive and consistent regulation of the entire petroleum value chain to harness the maximum potential of the petroleum industry.

The specific roles of PAU include:

- i. Enforce compliance with the petroleum laws, regulations, contracts, standards and agreements as established.
- ii. Review and approve work programs and budgets submitted by licensees.
- iii. Monitor petroleum activities to assess adherence to regulatory requirements across the petroleum value chain.
- iv. Ensure optimal development of discovered petroleum fields and recovery from producing fields, in line with approved field development plans.
- v. Ensure optimal utilization of petroleum facilities
- vi. Ensure effective measurement and valuation of produced petroleum

- vii. Review and approve all the transmission, crude storage, refining and gas conversion tariffs, levies, and fees in accordance with the pricing frameworks.
- viii. Ensure that the licensees maintain competition and fair business practices.
- ix. Manage petroleum data on behalf of the State
- x. Establish and maintain the data management systems.
- xi. Monitor and enforce prudent health, safety, security and environment management practices.
- xii. Monitor and ensure adherence to the national content requirements by the licensees
- xiii. Ensure Consumer protection in the downstream petroleum activities

6.3.6 The Roles of the Uganda National Oil Company (UNOC)

UNOC will continue to manage Uganda’s commercial aspects and the participating interests of the State in the petroleum industry. The policy recognises the need to enhance the capacity of the UNOC to independently handle its mandate.

The specific roles of UNOC shall include:

- i. Managing Uganda’s commercial interests in the petroleum industry.
- ii. Managing the participating interests of the state in the petroleum agreements.
- iii. Managing the marketing of the country’s share of petroleum received in kind.
- iv. Developing in-depth expertise in the petroleum industry.
- v. Optimising value to its shareholders.
- vi. Investigating, proposing and implementing new upstream, midstream and downstream ventures locally and internationally.
- vii. Trade in petroleum products in and outside the Country.



6.3.7 Roles of other key stakeholders

This Policy recognizes the roles of other key Stakeholders in facilitating the desirable implementation of petroleum activities. The roles of other key stakeholders are indicated in Table 2 below.

Table 1: Key actors and their responsibilities in the implementation of the National Petroleum Policy

KEY ACTORS	ROLES AND RESPONSIBILITIES
<p>Ministry responsible for Justice and Constitutional Affairs</p>	<ul style="list-style-type: none"> i. Participating in petroleum Policy formulation. ii. Drafting of legislation governing the petroleum industry iii. Provide legal advice in relation to petroleum agreements and other petroleum-related legal issues
<p>Ministry responsible for Finance, Planning and Economic Development</p> <p>In general, the role of this Ministry is to ensure macroeconomic stability, which includes prudent fiscal management and ensuring appropriate distribution of Government funds to provide efficient and effective delivery of services.</p>	<ul style="list-style-type: none"> i. Ensuring appropriate management of petroleum revenues. ii. Responsibility for administering the collection and utilization of petroleum revenues in line with the relevant laws. iii. Promoting and sustaining transparency of revenue management in the petroleum industry. iv. Participating in the formulation of the law to regulate the collection, use and management of petroleum revenues. v. Defining the roles of different institutions regarding the collection of petroleum revenues. vi. Monitoring and assessing the impact of petroleum revenues on the economy.

	<ul style="list-style-type: none"> vii. Providing Policy guidance in the management of the Petroleum Fund. viii. Ensuring that fiscal and other economic issues are appropriately addressed in the PSAs. ix. Participating in petroleum Policy formulation. x. Participating in the administration of PSAs. xi. Participating in the formulation of petroleum legislation. xii. Providing the necessary funding to support the undertaking of the additional responsibilities for the different Ministries and operational/managerial agencies arising out of this Policy. xiii. Ensuring development and harmonization of accounting standards in petroleum activities including implementing principles of the Extractive Industries Transparency Initiative (EITI).
<p>Ministry Responsible for Local Governments This Policy recognizes that Local Government Authorities undertake development plans, capacity building and infrastructure development, among other activities, in accordance with the Local Government Act, of 1997.</p>	<ul style="list-style-type: none"> i. Formulating and monitoring local government policies which are in harmony with this Policy. ii. Guiding local governments to undertake plans and capacity building that take cognizance of petroleum activities. iii. Implementation of physical plans to avoid the development of slums arising out of petroleum activities.



	<ul style="list-style-type: none"> iv. Integrating petroleum activities in local governments' plans and Programmes. v. Mobilizing local governments to support petroleum activities including provision where possible of the necessary infrastructure.
<p>Ministry responsible for Works and Transport</p>	<ul style="list-style-type: none"> i. Planning and regulating transport services i.e., road, rail, air and waterways. ii. Providing technical guidance on mechanical engineering aspects of machinery used in petroleum activities imported into the country. iii. Issuing approvals for movement along Uganda's roads of heavy equipment (above 56 tonnes) on roads in the country. iv. Supporting the development of the necessary infrastructure for petroleum activities. v. Participating in the verification of the structural integrity of oil rigs and other production facilities.
<p>Ministry responsible for Water and Environment.</p>	<ul style="list-style-type: none"> i. Ensuring that petroleum activities conform to the requirements of the policies and applicable legislation regarding the protection and utilization of water bodies and aquifers. ii. Management of any potential impact of toxins from petroleum activities and development of infrastructure like laboratories to handle toxins.

	<ul style="list-style-type: none"> iii. Monitoring the impact of petroleum activities on the quality of ground and surface water bodies, surrounding flora and atmosphere. iv. Regulating water use and pollution load into water bodies through the issuance of water permits. v. Ensuring compliance with conditions provided for in the water permits. vi. Ensuring protection of water catchment and drainage areas. vii. Ensuring respect for Uganda’s commitments towards cooperative frameworks for basin-wide transboundary water resource management. viii. Ensuring self-monitoring by the oil companies for compliance with wastewater effluent standards together with ground and surface water quality standards. ix. Participating in monitoring and management of oil spill emergencies.
<p>Ministry responsible for Tourism, Wildlife and Antiquities</p>	<ul style="list-style-type: none"> i. Ensuring that petroleum policies are in harmony with wildlife conservation and tourism development policies. ii. Ensuring that petroleum activities are in harmony with wildlife conservation and development of infrastructure and services for tourism.



	<ul style="list-style-type: none"> iii. In collaboration with relevant stakeholders, monitor the impact of petroleum activities on wildlife conservation and, the development of tourist infrastructure and services together with the harmonious coexistence between ecotourism and petroleum operations. iv. Monitoring the impact of petroleum activities on antiquities.
<p>Ministry Responsible for Gender, Labour and Social Development</p>	<ul style="list-style-type: none"> i. Carrying out regular statutory inspections to ensure health and safety in the petroleum industry. ii. Issuing certificates of registration of petroleum activities. iii. Formulating and enforcing guidelines on safety and health in the petroleum industry. iv. Ensuring gender and equitable participation for all v. Monitoring compensation for occupational injuries and diseases. vi. Mediating labour disputes and participating in conflict resolution. vii. Monitoring compliance with the labour standards. viii. Ensuring that the equipment and technologies brought into the country are environmentally friendly and comply with the desired safety and health standards.

Ministry Responsible for Education

- i. Promoting the development of education and training programmes/institutions to create requisite national manpower and expertise for the petroleum industry on a sustainable basis.
- ii. Promoting relevant research and studies in collaboration with the Ministry responsible for petroleum, and any other relevant institutions.
- iii. Identifying and proposing measures to mitigate any adverse effects of petroleum activities on the education sector.

Ministry Responsible for Industry and trade

- i. Ensuring that petroleum policies are in harmony with the country's industrial policy.
- ii. Promoting guided development of a petrochemical industry in the country.
- iii. Promoting the use of petroleum by-products to support industrial development in the country.
- iv. Local Content Development: Promote policies that encourage local businesses and industries to participate in the petroleum value chain, supporting local content and capacity development.
- v. Advocate for Uganda's petroleum products in both regional and international markets.
- vi. Facilitate cooperatives to participate in petroleum-related opportunities.



Ministry Responsible for Foreign Affairs	<ul style="list-style-type: none"> i. Ensure cordial bilateral relations with neighbouring countries. ii. Advocate for joint exploration and exploitation of any petroleum resources along the country's common border. iii. Participate in the negotiation of bilateral agreements on petroleum.
Ministry Responsible for Information and Communication Technology	<ul style="list-style-type: none"> i. Initiating the formulation and implementation of information technology laws and regulations that will provide a conducive and secure environment for data transmission and storage for petroleum activities. ii. Promoting, supporting and guiding the use of ICT to among others enhance efficiency and effectiveness in petroleum operations and transactions. iii. Ensuring that the infrastructure necessary for data and voice communication including telephone, internet and broadcasting are put in place.
Ministry Responsible for Agriculture	<ul style="list-style-type: none"> i. Ensuring that petroleum policies are in harmony with the country's Agriculture policies ii. Advising Government on the impact of the petroleum industry on the Agricultural Sector iii. Promote Agricultural initiatives and outputs that have linkages with the petroleum industry.

Ministry responsible for security	<ul style="list-style-type: none"> i. Keep the security of personnel and property in the petroleum industry ii. Ensure vetting of all personnel plus other persons who are employed in the petroleum industry iii. Promote and coordinate protective security arrangements in the industry iv. Ensure that explosives are transported, stored, and used according to established laws & regulations.
Ministry responsible for Land, Housing and Urban Development	<ul style="list-style-type: none"> i. Support initiatives in the petroleum industry as regards land acquisition, housing and urban development processes. ii. Liaise with relevant stakeholders for the mobilization of resources in support of projects' land acquisition. iii. Conducting physical planning for the areas where petroleum activities are to be undertaken. iv. Approving change of user in provided physical plans for any areas. v. Monitoring compliance with guidelines to discourage the development of slums. vi. Evaluate land and assets during land acquisition
Ministry responsible for East African affairs	<ul style="list-style-type: none"> i. Facilitate the alignment of Uganda's petroleum policies and standards with East African Community (EAC) member states to promote regional integration and collaboration.



	<ul style="list-style-type: none"> ii. Coordinate on cross-border petroleum projects, ensuring that activities align with EAC protocols and facilitate regional benefits. iii. Advocate for regional investments in Uganda’s petroleum sector, creating a favorable environment for EAC member states to engage in Uganda’s energy market. iv. Support the removal of trade barriers within the EAC to ensure smooth transport and export of petroleum products across member countries.
The Central Bank	<ul style="list-style-type: none"> i. Advising the Government on the impact of the petroleum industry on the national economy. ii. Ensuring that petroleum activities do not impact negatively on monetary Policy and macroeconomic stability. iii. Managing and administering the Petroleum Fund.
Uganda Revenue Authority	<ul style="list-style-type: none"> i. Administering the collection of revenue and taxes from petroleum activities in line with the relevant laws. ii. Assisting in monitoring and assessing the impact of petroleum revenues on the economy. iii. Participating in the formulation of tax measures to regulate the collection of the right revenues from petroleum activities.

The Uganda National Bureau of Standards

- i. Formulation and promotion of the use of standards in the petroleum industry;
- ii. Enforcing standards in the protection of public health and safety and the environment against dangerous and sub-standard products;
- iii. Ensuring fairness in trade and precision in the industry through reliable measurement systems, particularly in the petroleum industry; and
- iv. Strengthening the economy of Uganda by assuring the quality of petroleum products to enhance the competitiveness of exports in regional and international markets.

National Planning Authority

- i. Leading national planning for effective incorporation of petroleum activities into the national economy.
- ii. Conducting an in-depth evaluation of the effectiveness and cost of petroleum-related activities.
- iii. Studying and publishing independent assessments of key economic and social issues and options to increase public understanding and participation in petroleum activities.
- iv. Participating in monitoring the relationship between the different agencies of the State's petroleum administration.



National Environment Management Authority (NEMA)

- i. Coordinating the processes of environmental impact assessments for petroleum activities.
- ii. Carrying out, alongside other stakeholders, environmental monitoring and audits of petroleum activities.
- iii. Ensuring and monitoring compliance of petroleum activities with environmental guidelines.
- iv. Issuing guidelines for strategic environmental assessment.
- v. Harmonizing national performance standards in the petroleum industry on environmental sustainability with international standards.

The Uganda Wildlife Authority (UWA)

- i. Monitoring compliance of petroleum activities to regulations governing operations in wildlife-protected areas.
- ii. Harmonizing national and international performance standards on wildlife-protected areas
- iii. Monitoring the impact of petroleum activities on wildlife-protected areas.
- iv. Participating in the evaluation of Environmental Impact Assessments (EIA) and environmental audits for petroleum activities.
- v. Issuing consent to undertaking petroleum operations in wildlife-protected areas.

<p>The Auditor General</p>	<ul style="list-style-type: none"> i. Providing an independent oversight of Government petroleum operations through financial and other management audits in accordance with the constitutional provisions and any other relevant legislation. ii. Ensuring adherence to national and international accounting standards in the petroleum industry.
<p>Local Governments</p> <p>This Policy recognizes that Local Governments have a role to play in working with other government departments to implement Petroleum development plans, capacity building and infrastructure development, and Project Land Acquisition among other activities, per the Local Governments Act, Cap 243.</p>	<ul style="list-style-type: none"> i. developing and implementing plans and programs that recognize petroleum activities. ii. participating in the implementation of petroleum Policies, Laws and mineral-related activities. iii. creating awareness on petroleum activities within their areas of jurisdiction. iv. assisting the MEMD in the monitoring and inspection of petroleum activities within their jurisdiction, where required. v. supporting petroleum activities including provision of the necessary infrastructure and facilitating dialogue between the local communities and petroleum license holders; vi. participating in the resolution of disputes arising from mineral-related activities; vii. participating in the determination and payment of compensation related to acquisition of land for petroleum development activities



	<ul style="list-style-type: none"> viii. Issue trading licenses for all petroleum products except for petroleum installations
UBOS	<ul style="list-style-type: none"> i. Collect, analyze, and publish data related to petroleum industry activities, including economic contributions, employment, and production metrics. ii. Monitor key performance indicators in the petroleum sector and provide statistical insights to guide policy decisions and track sectoral impacts on Uganda's economy. iii. Ensure that all data related to the petroleum industry follows national statistical standards, providing reliable information for both local and international stakeholders. iv. Enhance capacity for data management specific to the petroleum sector, including training programs for data collection and analysis.
Petroleum Companies	<ul style="list-style-type: none"> i. Sustainably explore, exploit and utilize petroleum resources. ii. Contribute to national economic and social development iii. Employ and retain highly competent and skilled staff iv. Maintain strong financial capacity and stability v. Effectively manage operational, financial, and environmental risks

	<ul style="list-style-type: none"> vi. Collaborate closely with the Government and regulatory bodies vii. Comply with national laws, policies, and industry standards. viii. Prepare for and respond to emergencies in petroleum operations ix. Operate as responsible corporate citizens x. Support local communities and minimize negative impacts
Civil Society Organizations	<ul style="list-style-type: none"> i. Collaborate with government to foster rapid growth of the Petroleum industry ii. Undertake policy research to inform Petroleum Policy making and implementation. iii. Partner with the government on the development and implementation of Petroleum development projects. iv. Awareness creation on Petroleum exploitation and community mobilization.
Academia	<ul style="list-style-type: none"> i. Produce the labour force suitable for employment in the Petroleum industry. ii. Provide industrial research and technology development infrastructure like laboratories and student incubation facilities that support petroleum industrial product development and innovations.
Media	<ul style="list-style-type: none"> i. Produce and disseminate programs and media articles that rally public



	<p>appreciation of and participation in petroleum industry development.</p> <p>ii. Support monitoring of petroleum industry development initiatives.</p>
Development Partners	<p>i. Provide technical support and guidance</p> <p>ii. Provide funding and budgetary support to develop, implement, monitor, supervise and evaluate the policy implementation.</p>
Private Sector	<p>i. Invest capital and other resources into the petroleum industry</p> <p>ii. Produce and sell Petro-technologies and products</p> <p>iii. Utilize and consume petroleum products</p>
Cultural institutions	<p>i. Support the sensitization of local communities</p> <p>ii. Support supervision and monitoring of petroleum projects and programmes</p>
Religious Institutions	<p>i. Support the sensitization of local communities</p> <p>ii. Support supervision and monitoring of petroleum projects and programmes</p>
Local Communities	<p>i. Participate in the execution of petroleum activities</p> <p>ii. Support supervision and monitoring of petroleum projects and programmes</p> <p>iii. Hold the responsible parties accountable</p>



7.0 COMMUNICATION AND DISSEMINATION

The MEMD shall take the lead in communicating and disseminating the policy to ensure that every stakeholder understands their responsibilities and benefits of petroleum exploitation and utilization in Uganda. A communication strategy shall be developed to guide the communication and dissemination efforts. In addition, a simplified version of the policy shall also be developed. Resources shall also be committed to translating the policy into several languages.



8.0 FINANCIAL IMPLICATIONS

The successful implementation of this Policy will require a coordinated and sustained financing effort by the Government of Uganda (GoU), Development Partners, International Oil Companies (IOCs), and non-state actors, including the private sector, civil society, and local communities.

The primary sources of financing shall include:

- i. Government of Uganda resources - mobilized from domestic revenues and other public financing instruments;
- ii. Collaborative arrangements with International Oil Companies (IOCs) - including direct investments, cost-sharing mechanisms, and other partnership-based contributions in line with contractual obligations; and
- iii. Development support - provided through budget support and targeted interventions from bilateral and multilateral partners.



The estimated cost of implementing the Policy over the first five years is UGX 9,320.1 billion. Approximately 90% of this amount is expected to be met through contributions from IOCs, with the balance funded from domestic revenues and complementary support mechanisms.

The financial outlook for Uganda is highly positive. Over the lifetime of the current petroleum resources, the State Cumulative Cash Flow is projected at approximately UGX 121.975 trillion, in addition to wider macroeconomic benefits. These benefits will increase through enhanced resource recovery, additional licensing rounds, continued exploration, and expanded local participation in the petroleum value chain. The projected State Cumulative Cash Flow significantly outweighs the policy implementation costs, ensuring that petroleum development delivers substantial net benefits to the country.



9.0 MONITORING AND EVALUATION OF THE POLICY

Monitoring and evaluation of the National Petroleum Policy will be coordinated by the Ministry of Energy and Mineral Development (MEMD) in collaboration with sector stakeholders, with progress assessed regularly through structured reporting. Implementation will follow the Monitoring and Evaluation (M&E) framework outlined in the policy's implementation plan, which specifies outcomes, indicators, baseline data, annual targets, and responsible agencies. This framework will guide systematic assessment of policy actions, ensure accountability for outputs, and provide clear benchmarks for tracking progress and performance against national objectives.

Overall oversight will rest with the Office of the Prime Minister under the National Integrated Monitoring and Evaluation Strategy, ensuring

alignment with wider government priorities. Findings from the monitoring process will be shared with relevant government institutions and the public to enhance transparency, inform decision-making, and foster collaboration. This approach will enable continuous learning, adaptive management, and effective policy execution, ensuring that petroleum resources contribute optimally to Uganda's sustainable development.



10.0 POLICY REVIEW AND AUDIT

The policy shall be reviewed after ten (10) years. Periodic appraisals will also be made every after five (5) years to assess the progress of implementation and make mid-term course corrections, if and when required.





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