Historical Background
The Republic of Uganda was a British protectorate since 1894, until independence in 1962. However, post-independence was plagued with political turmoil and violence when Milton Obote declared himself president in 1966. In 1971, a military coup led by Idi Amin overthrew Obote’s regime and the transition resulted in the deaths of approximately 300,000 opponents. At this time, Amin was also expelling around 70,000 Ugandan Asians which added to this country’s difficulty of achieving stability. In 1979, Tanzanian forces ousted Amin and Obote returned to rule for another five years to which guerrilla opposition and human rights infractions claimed an estimated 100,000 lives. Obote was overthrown by Tito Okello, whose regime only lasted six months, which made room for Yoweri Museveni’s National Resistance Movement to assume power in 1986 that brought relative stability and economic growth to the country. Museveni has been hailed as one of Africa’s most progressive leaders in the 1990s. Museveni promised to step down after his second term ended in 2006, but then chose to run again. In an election marred by harassment of opposition politicians, Museveni won another five-year term and is currently in power.

General Background
This East-Central African country is one of the most populous countries in Africa, with an estimated population of 37,101,745, and the capital city of Kampala with an estimated 1.9 million alone. Over 80 per cent of the population lives in rural areas, engaged mainly in sustenance farming and hunting. Uganda neighbors several countries, including Kenya, the Democratic Republic of the Congo (DRC), South Sudan, Rwanda, and Tanzania. It also hosts two notable bodies of water, Lake Victoria and the Nile basin. The country’s official language is English (taught in schools, used in courts of law, newspapers, etc.), but other languages such as Ganda or Luganda of the Niger-Congo language, are widely used, along with other Nilo-Saharan languages, Swahili, and Arabic. There are a variety of ethnic groups in the country, including; Baganda 16.9%, Banyankole 9.5%, Basoga 8.4%, Bakiga 6.9%, Iteso 6.4%, Langi 6.1%, Acholi 4.7%, Bagisu 4.6%, Lugbara 4.2%, Bunyoro 2.7%, other 29.6%. The country’s dominant religion is Christianity, Roman Catholic representing 41.9% and Protestant 42%, and the rest of the population consisting of 12.1% Islam, 3.1% other, and 0.9% having no religious affiliation.

Politics
Uganda is a presidential republic, the president acts as chief of state and head of government. The current president is Yoweri Kaguta Museveni, who has been in power since January of 1986, alongside Vice President Edward Sekandi, who was appointed to the position in May of 2011. The president is directly elected by absolute majority vote,
in two rounds if needed, for a 5-year term. The last election was held February 18th, 2016 and the next election is scheduled for February 2021. Uganda is rated 20th out of the 54 states in sub-Saharan Africa in the 2011 Ibrahim Index of African Governance, and is rated as ‘partially free’ by Freedom House. Aggregate scores collected by the World Bank under the Worldwide Governance Indicators programme shows how Uganda’s governance performance has evolved over time. Ratings across the range of criteria have remained largely static since the late 1990s, with slight improvements in accountability and stability balanced by marginal worsening of corruption and regulatory quality.

The most recent report by the International Crisis Group acknowledges the improvements in the lives of Ugandans during the 25 years of President Museveni’s tenure. However, it has been identified as a slow shift from a broad-based constitutional government to patronage-based personal rule, which has relied increasingly on centralization, sponsorship, and coercion to maintain control. Other groups have identified a persistent bias at the heart of government towards the president’s ethnic group, that contradicts his long-stated commitment to ending Uganda’s sectarian politics. These institutional issues are important to understanding the particularities of managing natural resources in the country, with the successful management of natural resources increasingly reliant on government politics and control. While Ugandans are currently unified by the imperative of avoiding conflict, along with the shared goal of economic growth, there are potential risks that this consensus will be put under considerable strain by increasing revenues from oil being allocated to certain communities with closer ties to the central government, with other communities increasingly distanced from these economic payoffs.

Economy
Since 1986, the government has rehabilitated and stabilized the economy by undertaking currency reform, raising producer prices on export crops, increasing prices of petroleum products, and improving civil service wages. Government policy reform has focused on lessening inflation, boosting urban and rural production, and increasing revenues from exports. Since the 1990s, economic reforms ushered in an era of stable economic growth founded on continuous investment into infrastructure, improved incentives for production and exports, lower inflation, better domestic security, and the return of exiled Indian-Ugandan entrepreneurs. The global economic downturn in 2008 did hurt the Ugandan economy, however, the country’s GDP growth has recovered due to past reforms and sound management. Prioritization of oil revenues and taxation has become a focus of the Ugandan government in an effort to diversify and stabilize the economy moving forward, yet there are worries that the fall of oil prices in 2014 and a weak legal system will hamper the development of the industry.

The Ugandan economy faces many regional challenges, especially the instability in South Sudan, which has led to an increase in Sudanese refugees into Uganda, as well as a weakening with the country’s major export partner. Domestically, Uganda is plagued with unreliable power, increasing energy costs, an aging transportation infrastructure, and systemic corruption which weaken investors’ confidence and economic growth. From 2014 to 2015 the Uganda Shilling (currency) depreciated against the U.S. dollar which,
coupled with rising public debt, has severely impeded production and import capabilities. In 2015, the Gross Domestic Product – real growth rate was measured to be only 5.2%.

Agriculture remains the most important sector of the country’s economy, employing over two-thirds of the work force. The main agriculture products include; coffee, tea, cotton, tobacco, potatoes, corn, cut flowers, beef, goat meat, milk, and poultry – coffee accounting for the bulk of export revenues. The population below the poverty line is around 19.7% and the literacy rate is around 78.4%. The major export commodities include; coffee, fish and fish products, tea, cotton, flowers, horticultural products, and gold. Furthermore, Uganda’s key export partners include; Rwanda 10.1%, UAE 9.8%, DRC 9.3%, Kenya 9.1%, Netherlands 6%, Germany 5.7%, Italy 5.5%, China 5.3%. The country’s main imports include; capital equipment, vehicles, petroleum, medical supplies, and cereals. The major import partners include; Kenya 18.3%, UAE 14.3%, India 12.8%, China 11.3%, and Japan 4.4%.

Extractive activities
The extractive industry, specifically mining, has been documented as early as the 1920s, witnessing a boom in the 1950s as it accounted for 30 percent of the country's exports. It received a further boost when mining revenues increased by 48 percent between 1995 and 1997. However, the World Bank reported that the sector’s contribution to GDP dropped from 6 percent during the 1970s to below 0.5 percent in 2010. Uganda's extractive industry activities have been identified by the Natural Resource Governance Institute as focused on extraction of cobalt, gold, copper, iron ore, tungsten, steel, tin and other industrial products such as cement, diamonds, salt and vermiculite. Limestone is sold in local markets whereas gold, tin, and tungsten are major exports. Interest in Uganda’s mineral potential has been increasing substantially since the country has made efforts to improve its mining and investment code. Uganda faces a tall order as it attempts to revamp its underperforming mining industry in the wake of slumping global mineral prices—the latest hurdle testing government efforts to rev up a faltering economy. In order to lure investors, the government has proposed a wide range of tax breaks, as well as scrapping of import duties on mining equipment ahead of the planned licensing round. In 2015 Uganda completed a $75 million national mineral survey that identified deposits of uranium, tin, coltan, nickel, copper and gold. The survey, funded by the World Bank and Nordic Bank, is intended to develop advanced geological data to attract investors and increase the mining industry. The survey divided Uganda into six blocks and found that western Uganda to have the highest concentration of minerals.

The large-scale oil deposits have been described as Africa’s biggest on-shore discovery in the past 20 years. The estimated oil reserves total around 2.5 billion barrels, a figure that may increase with new exploration. The daily production rate is averaged around 125,000 barrels per day (bpd) – with some areas as high as 200,000 bpd. These figures place Uganda in the ranks of a mid-sized oil producing country, roughly comparable to Gabon, the DRC, Chad, Trinidad, and Tobago. Moreover, this places Uganda in 40th place in global rankings of oil reserves. Current reserves are estimated to have the potential to generate over $2 billion in annual revenue in more than 20 years. To put this into context, according to the Organisation of Economic Co-operation and Development, Uganda’s state revenues for
2012–13 are estimated to be $4.5 billion, and receipts of development aid for 2010 were $1.7 billion. So, while the contribution of oil to the economy will be considerable, it will not be immediately transformative – it is not on the same scale, for instance, as the $340 billion in oil revenues collected by Nigeria since it began production. Nevertheless, it will present significant opportunities, and if allocated properly can usher Uganda into a new era of economic prosperity. However, Uganda’s oil is difficult to access, process, and transport due to geographic and infrastructure issues. It will require significant investment, estimated at $10 billion, to develop its oil fields, and a considerable amount of time to begin production.

When commercial volumes of oil were confirmed in 2006, it was hoped that production could begin by 2009. However, to date, production has yet to commence, delayed by disputes between the government and oil companies, controversies over the terms of production-sharing agreements (PSAs), and disputes over oil taxation. It is not expected that commercial-scale production will begin until late 2016, and increasing delays in field development could push this estimate back further, with critics arguing that full production may only begin in the early 2020s at the earliest. The oil debate in Uganda has been marred by rumours and a lack of clear information, particularly in relation to the PSAs signed by the government, and associated allegations of bribery. The Ugandan government has released partial details of the PSAs to parliament, but has refused to disclose them to the public. The fact that they remain the center of speculation and argument underlines the risks of information being controlled too closely by the government. There have been some steps forward in 2012, notably the signing of agreements with new stakeholders in Ugandan oil (Total S.A., the China National Overseas Oil Corporation, and Tullow Oil) and key legislation put before parliament, in addition to agreements for the construction of an onshore oil refinery. However, actual, on-the-ground development, remains stalled.

All mineral rights are vested in the government and the exploration of minerals can only be carried out by granting of one of the following licenses: the Prospecting License, which is mineral or area specific and is valid for one year; an Exclusive Prospecting License, mineral specific and is limited to an area of 20.48 square kilometers and the Special Exclusive Prospecting License, which is for a minimum area of 76.8 square kilometers; a Mining License for developers which is location specific, limited to an area of 16 hectares with validity of 1 year or, in the case of a large mining area the lease could be for 21 years for areas up to 251 hectares; and lastly the Mineral Dealers License which is a permit to use water resources for mining operations with a validity of one year beginning and ending each December. In May 2004 the government of Uganda announced that it aims to inject $42 million in the restructuring and development of the mineral sector to double its mineral exports. The government is planning to develop a comprehensive five-year Mineral Sector Development Program (that has yet to be publically available) to address constraints that have hindered the sector's progress. In July of the same year the government announced that it would invest in development of roads and power lines linking mineral deposits to ease transport and enhance production for export. Uganda has legally recognized the right of citizens to see information held by government, enshrined in the Access to Information Act (2005), this has not been fully operationalized, and is in any case contradicted by the provisions for confidentiality of information envisaged in new oil-related legislation.
Uganda has also in principle committed itself to EITI membership, but has not yet taken the necessary steps for inclusion.

Potential Interest: a public portal that provides spatial view and maps mines across Uganda with the purpose to improve stakeholder communication, reduce corruption, improve transparency and promote investment.
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**Key issues in the country**

**Rebel Groups and Refugees**

The Ugandan rebel group, the Lord's Resistance Army (LRA), remains active across the Central African Republic, South Sudan, and northern DRC, with ongoing allegations of killings and abductions. The safety concerns posed by the LRA have improved over the years following the issuance of detention warrants in 2005 by the International Criminal Court for the groups leadership. Some issues still facing Ugandan society includes armed fighting among hostile ethnic groups, rebels, armed gangs, militias, and various neighboring government forces that operate within its borders. Ugandan refugees, as well as active members of the LRA, seek shelter in the borders around southern Sudan and the DRC’s Garamba National Park. Refugees in Uganda consist of the following estimated numbers: 16,601 (Rwanda); 224,748 (South Sudan); 222,364 (DRC); 36,192 (Somalia); and 35,676 (Burundi). Internally displaced persons (IDP) consist of 32,440, mostly displaced in northern Uganda because of fighting between government forces and the LRA. As of 2011, most of the 1.8 million people displaced to IDP camps at the height of the conflict had returned home or resettled, but many had not found lasting living solutions due to intercommunal violence and increasing instances of livestock raiding.

**Human Rights**

Uganda’s nascent mining industry has done more harm than good for indigenous peoples as mining companies have been accused of not respecting rights, according to Human Rights Watch (HRW). Uganda’s government has promoted private investment in mining in the remote northeastern Karamoja region to bring economic development. HRW looked at three companies in different stages of the mining process: East African Mining, Jan Mangal, and DAO Uganda. HRW found that companies have explored for minerals and actively mined on lands owned and occupied by Karamoja’s indigenous people. However, the Ugandan government, in partnership with the private sector, has excluded customary land owners from making decisions about the development of their own lands, proceeding with exploration and extraction without their consent. HRW also found that donors, including the World Bank, have failed the people of Karamoja by working to enhance the burgeoning mining sector without addressing indigenous people’s rights, including the right of private property development. Several extractive companies have gone to Karamoja in the past two years seeking mineral resources, particularly gold and marble. The Ugandan government has massively accelerated licensing of companies to carry out exploration and mining operations – more than 700 percent increase between 2003 and 2011.
Illegal Mining
There is a gold rush in Uganda, to the extent that local citizens will set up informal mining operations that can extend over 100 meters underground. Tens of thousands of Ugandans make their livelihood from this informal practice, using makeshift tents by pools of muddy water where ore is washed, separating the precious metal from rubbish. Four major informal mining camps have sprung up in recent years, featuring brothels and restaurants. However, these informal miners are being urged by the government to stop because they are not licensed and unregulated, presenting a significant safety hazard to themselves and surrounding communities. Nevertheless, informal mining proves to be an economically productive employment avenue, with casual laborers making about $6 each day, compared to the average daily earning of just over $2.

Child Labor
Child labor, defined as children between the ages of 5 to 14 entering into employment, are estimated to employ around 25% of the Ugandan youth population. It has been reported that children in Moroto district are resorting to gold mining instead of going to school, arguing that it provides a much needed income. An estimated 5,000 children are working in gold mines in Rupa Sub County in the Moroto district alone, either in actual extraction or in ancillary services such as selling food and water collection.

Security
Police Force
The Uganda Police Force (UPF), under the jurisdiction of the Ministry of Internal Affairs, is the main security force responsible for law enforcement in Uganda. The UPF is also involved in carrying out paramilitary functions, such as providing security for visiting dignitaries and assisting public prosecutors during criminal proceedings. The police force is divided into five directorates: Administration, Operations, Criminal Investigations, Special Branch and Local Administration Police. Other branches and units of the Uganda Police Force, include the Legal Department; the Child and Family Protection Unit, which deals with human rights and gender-related issues; the Police Anti-Terrorism Unit, responsible for such activities as diffusing bombs, rescuing hostages and apprehending "terrorists"; the Mobile Police Patrol Unit, which deals with border crimes, including smuggling; and the Special Force Unit, a paramilitary branch of the police trained in riot control and border patrol. Between 2006 and 2007, the Uganda Police Force reportedly expanded from approximately 27,000 to 48,000 police officers, which makes the ratio of police officers to population approximately 1 officer per 1,880 inhabitants. However, there are significant variations in the ratio of police officers to population by district, which range from 1 officer per 100 inhabitants in the capital city of Kampala, to 1 officer per 8,000 inhabitants in certain outlying districts.

Militarization of Police
Several sources consulted by the Research Directorate indicate that there has been a trend towards increased militarization of the UPF, as shown by the appointment of military
officers to senior positions. The UPF has also created such militaristic units as the Rapid Response Unit (formerly known as the Violent Crimes Crack Unit), the Black Mamba, the Chieftaincy of Military Intelligence, the Joint Anti-Terrorist Task Force, the Members of the Kalangala Action Plan and the Presidential Protection Unit. Several sources describe the distinction between the military and the civilian police force as "blurred". This militarization of the police force has led to allegations of brutal police tactics and human rights violations. According to HRW, in August 2007, the Rapid Response Unit detained forty-one individuals in over-crowded cells and reportedly tortured at least three of them. The UPF has established a Professional Standards Unit (PPSU) to handle complaints from the general public concerning the misconduct of police personnel. The PPSU uncovered 909 cases of alleged police misconduct and completed investigations into only half of them.

**Safety Incidents**

Foreigners are not typically singled out as victims of crime, however victimization by criminals is based upon the perception of the victim’s affluence and whether they present an appealing "target of opportunity." Common crimes are generally crimes of opportunity rather than planned attacks. These include, but are not limited to: thefts from vehicles, thefts of property from residences, residential break-ins, strong-armed robberies, pickpocketing, and theft from hotel rooms. While Uganda is generally viewed as a safe, secure, and politically stable country, its extensive and porous borders are inadequately policed, allowing for a robust flow of illicit trade and immigration. Therefore, terrorism is seen as a high threat. The potential for terrorist activity from extremist organizations such as al-Shabaab exists in Uganda and neighboring regions. Uganda contributes troops to the African Union Mission in Somalia, with al-Shabaab consistently threatening attacks inside Uganda in retaliation to their presence. In the northern and eastern regions of Uganda, after years of prolonged conflict, relative stability returned in 2006 when the LRA fled to neighboring countries in the face of increased government presence. The vast majority of people internally displaced by the LRA in northern Uganda have since returned home, and the Ugandan government continues to expand and improve the capacity of the civilian police force in northern Uganda by deploying additional personnel and dedicating resources to further recovery and redevelopment.

In the southwestern and western regions, there is a historical conflict in the districts of North and South Kivu in the DRC, in close proximity to the Ugandan border. The most recent fighting occurred on the DRC side of the DRC-Uganda border in November 2013. During spikes in the conflict, refugee flows across the border can number in the thousands, with a risk of incursions by armed combatants should engagements escalate. There is also potential for violence related to existing ethnic and tribal tension in the western districts of Bundibugyo, Ntoroko and Kasese near the border with the DRC. For example, in July 2014 simultaneous attacks over ethnic differences on several villages in these districts killed more than 60 people. Demonstrations in Kampala and other Ugandan cities periodically occur in response to local political developments, sometimes occurring with little or no warning, and can become confrontational or violent. Uganda is rated as critical for crime, which is the highest rating on the U.S. government scale. In 2013, the U.S. Embassy received reports of serious crimes involving U.S. citizens in
Kampala, including home invasions, homicides, sexual assault, robberies, and stabbings. Other crimes such as pick pocketing, purse snatching, and thefts from hotels and parked vehicles or vehicles stalled in traffic jams are common.

A major area of concern that has been noted is Karamoja, which is the only area restricted for travel by the US Embassy because of logistical difficulties posed by harsh travel conditions and the lawlessness of the region. The prevalence of guns and cross border raids between tribes is a constant issue. The Embassy has relaxed its travel policy but still requires two vehicle convoys and personal or vehicle armor when traveling in the region. Moreover, driving requires particular caution and fulltime attention. According to the World Health Organization, Uganda has one of the highest rates of traffic fatalities per vehicle in the world. Roads are poorly maintained, inadequately marked, and poorly illuminated. Street signs are also lacking in certain areas, adding confusion to the casual traveler. Road travel outside Kampala is dangerous during the day and treacherous at night. It is Embassy policy that no official U.S. citizens are authorized to travel on roads outside of the Kampala/Entebbe metropolitan area after dark. The road lighting in larger cities is inadequate at best and virtually nonexistent in smaller towns.

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**Mapping of Actors**

**Government**

**Ministry of Defence**
- To preserve, defend and protect the people, property, sovereignty and territorial integrity of Uganda, contributing to regional stability and supporting international peace initiatives.
- In the capital city of Kampala
- Tel: 0414-565100
- Website: [www.defence.go.ug](http://www.defence.go.ug)

**Ministry of Water and Environment**
- Responsible for setting national policies and standards, managing and regulating water resources and determining priorities for water development and management. In addition to monitoring and evaluating sector development programmes to keep track of their performance, efficiency and effectiveness in service delivery.
- In the capital city of Kampala
- Tel: +256 414 505942
- Website: [http://www.mwe.go.ug](http://www.mwe.go.ug)

**Ministry of Energy and Mineral Development**
- To manage utilization of energy and mineral resources for development of Uganda and its people. Matters such as energy policy, investments in mining, the establishment of new power generating infrastructure using hydro power, thermal power, solar power and nuclear power.
- In the capital city of Kampala
Ministry of Information and National Guidance
- To regulate the media and coordinate the dissemination of information on government programmes and activities. To propagate the National Vision and mobilise the people to embrace National Values and the Common Good.
- In the capital city of Kampala
- Tel: +256 417770500

NGOs
Action for Social Economic Development (ASED)
- The organization was started by community members of the Kiryandongo District who wanted to improve on service delivery in the region as well as improve on their welfare. To lobby and establish viable small scale community projects to increase on their incomes, the quality of their lives, and fight the root causes of poverty. Advocating for good governance and observation human rights, increase literacy level, fight climatic change with its negative impact on the community, improve on sanitation and reduce on the challenges of health in the communities.
- Contact person: Ogenyi K Morris (Executive Director)
- Tel: 0782 232 564
- E-mail: asedorg.ug@gmail.com

Africa Centre for Minority and Indigenous People
- A human rights organisation working to promote and protect the rights of ethnic, religious and linguistic minorities and indigenous peoples. An advocacy and development based organization devoted to strengthening the capacities of minority and indigenous communities in Africa to secure the respect, promotion and protection of their rights.
- Contact person: Mulindwa Paul (Regional Director)
- Tel: 0392 908 293 / 0704 933 866 / 0712 649 647
- E-mail: acemipe@gmail.com

The Uganda Chamber of Mines & Petroleum
- Representing the interest of the mining and petroleum sector, acts as a coordinating and facilitating centre for information and administrative support to prospective and current investors in the mining and exploration sectors in Uganda. Promotes, encourages, protects and fosters responsible exploration and services in mining and petroleum sectors in Uganda to benefit all the stakeholders.
- Tel: +256312516695
- Email: info@ucmp.ug
- Website: www.ucmp.ug

Private Sector
Aon in Uganda
- The leading global provider of risk management, insurance and reinsurance brokerage, and human resources solutions and outsourcing services. Aon unites to empower results for clients in over 120 countries via innovative and effective risk and people solutions and through industry-leading global resources and technical expertise.
- In the capital city of Kampala
- Tel: +256312229200, +256200529100
- Email: aon.uganda@aon.co.ug

Vangold
- Vangold currently holds 24 exploration licenses through two wholly owned subsidiaries, Rwenzori Cu & Ni Ltd and Dome Mines Ltd. Vangold's total land package of exploration licenses in Uganda exceeds 2200 square kilometers, or 1.4% of Uganda's land. The licenses cover Uganda's prime areas of high mineral potential. Vangold previously explored Uganda from 1994 to 1998 and resumed active exploration in 2007.
- Tel: 1 778 828 2670
- Email: anna@vangold.ca

Uganda International Mining Company Limited
- The company incorporated in the year 2011 as per the company’s act of The Republic of Uganda. The company was set up by foreigners of Indian origin for the purpose of carrying out business of exploration and mining of various natural resources. The company has purchased 105 hectares of land from the local people and obtained surface rights over the said land from the Government of Uganda. After obtaining environment clearance from the statutory authority, mining lease (ML No. 1170) has been granted to the company. This area has about 55 million ton reserve of high grade hematite iron ore having Fe content of above 65%.
- In the capital city of Kampala
- Tel: +256-751204325
- E-mail: uimcltd@gmail.com

Golden Mining Agency Limited
- Specializes in precious minerals trading i.e. mining, sourcing, buying, selling of gold, diamond, silver etc. Locally, they are committed to doing their part in building a better working world for Ugandans, for clients, and communities.
- In the capital city of Kampala
- +256 0319 074 647
- Email: info@goldenminingagencyltd.com

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