

# IEC PROMOTES UGANDAN SUPPLIERS' PARTICIPATION IN OIL AND GAS SECTOR

By John Odyek

Participation by Uganda's Small and Medium Enterprises (SMEs) in the oil and gas sector remains constrained and modest. This is despite their importance in revenue generation, employment creation and poverty eradication. SMEs make up 80% of Uganda's private sector, making their role invaluable in the economy. Capacity challenges mean that few SMEs can meet the high-quality standards required by the International Oil Companies (IOCs). An additional challenge emanates from the fact that the upstream IOCs in Uganda have strict standards.

The discovery of oil and gas in Uganda has created unprecedented opportunities that can stimulate sustainable development. One of the tools to achieve value creation through the new-found resource is through enhanced private sector engagement, particularly SMEs given their presence across sectors.

Intensive petroleum exploration activities in Uganda started in the early 2000s with a commercial discovery in 2006.

The country has



**Hon. Ruth Nankabirwa Ssentamu, Minister of Energy**

approximately 6.5b barrels of oil reserves, out of which 1.4b is commercially recoverable. The recoverable gas volumes stand at 500 billion cubic feet. Speaking at the launch of the Industry Enhancement Centre on February 27, 2024, Ruth Nankabirwa Ssentamu noted that the IEC is a crucial step in taking the sector forward.

Nankabirwa noted that Ugandans, through SMEs, should benefit from the oil and gas industry.

"This initiative will empower Ugandan SMEs with the skills and resources to thrive within the oil and gas sector and beyond. By fostering local business growth, we create lasting economic benefits and position Ugandan companies as key drivers of national development."

The General Manager at TotalEnergies EP Uganda,



**Ernest Rubondo, Executive Director, Petroleum Authority of Uganda**

**REGULATOR OPTIMISTIC**

Ernest Rubondo, the Executive Director of the Petroleum Authority of Uganda (PAU), said the development of the IEC is in line with the Upstream National Content Regulations 2016, which is one of the PAU's key regulatory areas. Rubondo congratulated TotalEnergies EP Uganda on setting up the centre. He expressed optimism that it will consolidate the achievements made towards national content and enterprise development and complement similar initiatives in Uganda's private sector. "We expect Zoram, the Ugandan company in the consortium, to provide an in-depth understanding of the capacity challenges that Ugandan companies face while investing in Africa. Invest in Africa, the international company in the consortium is expected to provide practical and workable solutions to solving these challenges," Rubondo said. "We look forward to the IEC which is starting with this main operation centre in Kampala but with a plan for outreach points in other selected areas, especially in the Albertine Graben," he added.

Philippe Groueix, said the launch of the IEC represents the company's commitment towards promoting national content and shared value for



**Philippe Groueix, General Manager, TotalEnergies EP Uganda**



**Jimmy Mugerwa, IEC Project Director**

is crucial in mitigating challenges that prevent maximum participation in the oil and gas industry supply chain," Groueix said.

TotalEnergies EP Uganda has issued a three-year contract worth \$2.3m (about sh8.9b) to a Joint Venture comprising Zoram Consulting Group, and Invest in Africa to establish the IEC. The joint venture companies have industry knowledge and experience in strengthening the capacities and skills of SMEs within similar contexts.

The IEC Project Director, Jimmy Mugerwa, said the launch is important for Ugandan companies.

"It creates significant potential to supply goods and services to the oil and gas industry. It will address capacity gaps that previously limited Ugandan businesses from participating

meaningfully in the sector and benefiting from the significant opportunities it presents, Mugerwa said.

The IEC launch follows an Industrial Baseline Survey (IBS) commissioned by TotalEnergies EP Uganda and joint venture partners in 2013, through which the need for promoting national content and capacity building for Ugandan SMEs was identified so that they can ably participate in the sector. The Industrial Baseline Survey assessed the quantity and quality of goods and services that would be required compared to the existing capacity in the country. One of the recommendations of the study was the set up of an industry enhancement centre to support Ugandan companies to effectively participate in the oil and gas value chain.

The IEC complements other ongoing initiatives by TotalEnergies EP Uganda to support development of national content. These initiatives include community supplier development programmes in the Tilenga Project area in Buliisa and Nwoya districts as well as skilling and giving support to education institutions.

By Vision Reporter

## FIRMS STEP INTO TACKLE INDUSTRY CHALLENGES

Many Uganda entrepreneurs who set up businesses have faced challenges relating to management and strategy. Some of these businesses are started as hustles with no clear mission and vision. Many of these entrepreneurs struggle, learning and unlearning along the way. This method has led to an increased capacity gap within the Small and Medium-sized Enterprise (SME) sector.

SMEs usually need to scale up their businesses significantly or buy specialised equipment to meet the high-quality standards required in the oil and gas industry that is capital-intensive and quality-conscious. Securing financing is a challenge for SMEs as many do not know the basics of the process, including how to prepare a business plan, which is required by financial institutions.

The Industrial Baseline Survey (IBS) 2013 that was conducted by TotalEnergies



**Corti Paul Lakuma, head of the Macroeconomics Department, Economic Policy Research Centre**

EP Uganda and its joint venture partners called for the set up of an enterprise enhancement centre to assist suppliers to get ready for the development phase and prepare the after-peak period in the oil and gas industry.

On how to ensure that business opportunities are given to Ugandan companies, IBS stated that the demand for a project detailing the requirements of the oil and gas sector should be communicated to the business associations and stakeholders that are



**Andrew Walusimbi, Project Co-ordinator, Get Skilled Project, Uganda Small Scale Industries Association**

mandated to take advantage of the opportunities.

Corti Paul Lakuma, a senior research fellow and head of the macroeconomics department at the Economic Policy Research Centre (EPRC), said in the study on linkages between agriculture and the oil and gas sectors, EPRC found that the constraints were understanding the specifications of standards required by the oil industry, lack of proper inputs, poor farming practices, lack of finance and insurance, environmental degradation



**Humphrey Asiiimwe, CEO, Uganda Chamber of Mines and Petroleum**

and absence of farmer groups. "The Government and the private sector are making efforts to bridge this gap through the provision of extension services, provision of equipment such as milk coolers, extending green finance, providing business development services and organising farmers through registration," Lakuma added.

Humphrey Asiiimwe, the Uganda Chamber of Mines and Petroleum CEO, said the challenges that Uganda's SMEs face are limited access to patient and affordable capital, informal nature of

businesses and high interest rates.

He said many operators prefer to operate informally, with no books of accounts, no strategic address and no registration. This deprives them of support in terms of financial and non-financial support services.

He added that poor corporate governance principles, especially for sole proprietorship entities and family-owned enterprises also affect the industry. This cuts off the business from viable partnership and networking opportunities.

Andrew Walusimbi, the Project Co-ordinator of the Uganda Small Scale Industries Association, said the challenges Uganda's businesses face in building their capacities in the oil and gas sector include a lack of affordable financing options, high costs of doing business and informal settings of their businesses.

The other challenges are

stiff competition, especially from foreign companies, and the high costs of formalisation. TotalEnergies EP Uganda, on February 27, 2024, launched the Industry Enhancement Centre (IEC), a sector-led initiative aimed at enhancing the capacity of Ugandan Small and Medium Enterprises (SMEs) to sustainably participate in the oil and gas sector. The IEC will provide information, business advisory, training and capacity building services on the sector, enabling Ugandan SMEs to address these challenges and sustainably participate in the oil and gas sector.

TotalEnergies EP Uganda issued a three-year contract to a consortium comprising Zoram Consulting Group, a Ugandan company, and Invest in Africa, an international company, to establish the IEC. Both companies have industry knowledge and experience in strengthening the capacities and skills of SMEs.

By John Odyek

The Industry Enhancement Centre (IEC) was established by TotalEnergies EP Uganda on February 27, 2024. This followed an Industrial Baseline Survey by TotalEnergies EP Uganda, the Uganda National Oil Company and CNOOC Uganda Ltd to establish the existing industrial capacity in Uganda compared to the anticipated oil & gas project needs. The centre is aimed at providing Ugandan suppliers with access to information, trainings, enterprise development and business advisory services.

According to the Industrial Baseline Survey (IBS), some of the main issues faced by Ugandan companies that need to be addressed to build their capacity include lack of knowledge of potential oil and gas requirements and difficulty in meeting standards.

The IEC serves as one of the initiatives through which these issues can be addressed by being a

# PRIORITISING CAPACITY BUILDING FOR UGANDAN SUPPLIERS



Nankabirwa (centre) with Petroleum Authority Of Uganda boss Ernest Rubondo (right) and other stakeholders officiating over the opening of the IEC body recently

strategic entity where key sector players shall achieve capacity building and transfer of knowledge, skills and technology to Ugandan companies.

The IEC's strategic objectives are in line with

government's overarching objective to develop and these include:

- To support the capacity of Ugandan companies to participate in the oil and gas sector.
- To guide and advise

Ugandan companies on the diversification of their services and personnel into other sectors, projects or regions for business sustainability.

The operational objectives that the IEC is performing

are to publicise and disseminate Uganda's oil and gas sector related information. These include business and capacity building opportunities and services provided by various stakeholders, agencies and partners.

IEC provides information related to required goods and services, for example, standards, volumes and duration, among others, and guidance for registration on the National Supplier Database of the Petroleum Authority of Uganda.

IEC also provides enterprise development and business advisory services including supplier and stakeholder engagements; organises and holds regular and themed events,

together with workshops, to facilitate networking and information sharing amongst key stakeholders.

TotalEnergies EP Uganda is leading the setup and operation of the IEC. To implement this initiative TotalEnergies EP Uganda procured the services of the Zoramu Consulting Group and Invest in Africa joint venture, who possess vast industry knowledge and experience in building the capacity of SMEs in similar contexts.

Tier 1 contractors and other key sector players will support the IEC as per their national content plans and commitments as well as in line with regulation 18 (3) of The Petroleum (Exploration, Development and Production) (National Content) Regulations, 2016.

The IEC is providing support to interested SMEs from all over Uganda and it has physical premises in Kampala (Plot 12 Ngabo Road, Kololo) and their website is [www.iec.go.ug](http://www.iec.go.ug). The centre and the website were launched on February 27, 2024.

## INDUSTRY ENHANCEMENT CENTRE TO TRAIN 900 SMEs

By Vision Reporter

The Industry Enhancement Center (IEC) targets to provide training to 900 Small, Medium Enterprises (SMEs) over the next three years to enable them participate in the oil and gas industry.

Jimmy Mugerwa, the Project Director of the IEC and Chief Executive Officer of Zoramu Consulting Group, said the centre will provide SMEs with access to information on opportunities in the oil and gas sector, access to business advisory to structure their businesses, reduce waste and enhance efficiency.

Mugerwa added that SMEs are to gain access to knowledge, skills development to enhance the capacity of their entrepreneurs to become more competitive, and gain access to finance. They will get bid and contract training, sustainable, practical approach to learning, collaborate with government agencies and industry players.

The other benefits are: financial training support to help businesses access capital and secure funding for expansion, access to network training and interaction with key sector players, including International Oil Companies, Tier 1 contractors and key subcontractors. The SMEs will be trained on business growth and resilience, such as corporate governance and human resource management. They will access the IEC resource centre for books, publication and online materials.

Mugerwa disclosed that TotalEnergies EP Uganda will provide funding for the training of the SMEs to enhance their participation in the industry. The National Oil and Gas Policy for Uganda

(2008) and the 2018 National Content Policy for the petroleum sub-sector provide for national participation, value creation and retention in Uganda's economy. The Government has expressed commitment to developing the country's resources responsibly, openly, profitably and in collaboration with the private sector. Transitioning from strategic planning to practical implementation, government is advancing four major oil and gas projects, namely: the Tilenga and Kingfisher projects in the upstream (\$6-8b), the East African Crude Oil Pipeline (\$5b) and the Uganda Refinery Project ((\$4b) in the midstream.

These projects, combined with the Government's investment in supportive infrastructure, signify an investment of approximately \$20b in Uganda's economy, as the country targets first oil production in 2025.

Ruth Nankabirwa, the Minister for Energy and Mineral Development, said since the discovery of oil in 2006, Uganda has upheld high environmental, industrial, legislative and regulatory standards.

She said the sector significantly contributes to the country's GDP, amounting to \$8.6b and has created thousands of jobs. According to the minister, this is the beginning of a long-term economic growth, development and promising benefits for the next 25 years and more.

The Petroleum Authority (PAU) of Uganda has reported that 13,821 Ugandans (93%) are employed in the oil and gas sector. Specifically, the licensees employed 849 persons, of which 71% (603) were Ugandans, while contractors employed 12,074, of which 95% (11,470)

were Ugandans. A National Talent Register where all employable Ugandans are registered has been set up.

### GOODS AND SERVICES

Over \$7.14b has been approved in terms of investments, of which \$1.914b (36%) is committed to Ugandan companies during the development phase. This is closely approaching the target of national content at 40% for this phase of development. Approximately \$11.91m has gone to the local community economy, through the provision of goods and services.

### ENTERPRISE DEVELOPMENT

Over 4,000 Ugandans have been trained in aspects of oil and gas and are internationally accredited in various disciplines. These include welding, health and safety, scaffolding and heavy goods vehicles. Over 5,000 SMEs have been trained in key oil and gas business requirements. About 137 women and youth have been trained through the empowerment project in the districts where the East African Crude Oil Pipeline traverses.

PAU is working with the energy ministry to link the oil and gas sector to other SMEs in other sectors of the country's economy. The sectors with significant potential for positive linkage include agriculture, education, transport, tourism, health, land use planning, construction and housing.

Phillippe Groueix, the General Manager of TotalEnergies EP Uganda, said there has to be continuous efforts to empower SMEs, undertake transfer of technology and to continue training Ugandans to develop the oil and gas industry.

### ZORAMU CONSULTING GROUP LTD



Zoramu Consulting Group Ltd is a registered management consulting and corporate advisory firm specialising in East Africa's financial, engineering, oil and gas sectors.

As a Consortium lead, we lead in setting up and operating the IEC, working towards creating shared prosperity through local content partnerships. We are committed to delivering key insights, developing technical solutions and strategies, and making vital connections with clients in the most complex transactions.

### INVEST IN AFRICA



Invest in Africa is a Not-For-Profit organisation that supports African SME growth by offering access to markets, finance, and skills. We leverage our 12,000+ SME network and partnerships with multinationals, trade associations and financial institutions to help SMEs create businesses that are globally competitive.

We operate in several African countries, including Senegal, Ghana, Guinea, and Mauritania and have managed to facilitate \$445m of contracts, \$9.5m of finance and create over 85,000 jobs. Invest in Africa works with IEC as the Technical Lead to make African economies prosper.

## TotalEnergies EP Uganda's National Content Initiatives



### Ambition for Ugandan Participation & Sustainable Development

- TotalEnergies EP Uganda prioritizes sustainable development while undertaking the development of the oil sector in Uganda.
- The Company ensures its activities generate shared value for us and Uganda. The Tilenga project strives to be a transformational project both in the social, technical, environment and national content areas that are critical for delivering on our shared value ambition.
- TotalEnergies EP Uganda is committed to maximizing Ugandan participation through employing Ugandans & training Ugandan employees, utilizing locally obtainable goods & services and building capacity & transferring knowledge, skills and technology to Ugandan citizens, companies and institutions.

### 1. Pillar 1: Employing Ugandans & Training Ugandan Employees

- Ugandans are employed by TotalEnergies EP Uganda and the Company's contractors and they are trained while in employment to develop their competences to successfully execute their work.
- A peak of 8,640 Ugandans (representing 90% of total staff) are employed by TotalEnergies EP Uganda and all Contractors & subcontractors.
- Over 3,400 of these are from the host communities employed as casuals & semi-skilled workers at the camps & industrial area e.g., construction workers, housekeeping, catering etc.
- Over USD 19.9 million spent on annual training programs for staff

in Technical, Health safety and environment (HSE) and Personnel development courses by TotalEnergies EP Uganda and our contractors.

- Over 20 Ugandans given international exposure to work in other TotalEnergies affiliates globally e.g., USA, Europe, Asia, Angola, Nigeria.

### 2. Pillar 2: Utilizing Locally Obtainable Goods & Services

- TotalEnergies EP Uganda contracts Ugandan companies to provide goods & services and they in turn subcontract or purchase from other Ugandan companies / local providers. Non-Ugandan companies engaged by TotalEnergies EP Uganda also subcontract or purchase from Ugandan companies / MSMEs.
- Creates awareness in the Ugandan market about needs, certifications, standards, and also develops the capacities and capabilities of local suppliers.
- The Company fosters the creation of joint ventures between foreign and Ugandan companies when goods and services are not available in Uganda.
- A peak of 170 Ugandan suppliers have been engaged by TotalEnergies EP Uganda, and Contractors have had a peak of 1,400 engagements with Ugandan suppliers at Tier 2 level; which included joint ventures and micro, small and medium enterprises (MSMEs).
- Ugandan companies are providing both non-specialized (e.g., camp management, manpower provision, medical, training, consultancy,

logistics, waste management etc.) & specialized (e.g., engineering design, technical studies, construction etc.) goods and services.

- Suppliers from host communities are providing e.g., raw food, accommodation, construction materials, catering, conference facilities, small tools etc.
- The achieved estimated value of locally obtainable goods & services in all procurements awarded to both Ugandan and Non-Ugandan Companies for the Tilenga Project is US\$ 657 Million (estimate of national content).

### 3. Pillar 3: Building capacity & transferring knowledge, skills and technology to Ugandan citizens, Companies and Institutions

- Through this pillar TotalEnergies EP Uganda & its Contractors facilitate the development of competences and capacity within Ugandan citizens and Ugandan companies who are not yet involved in the activities as well as support education institutions who are the source of training for current and future workforce.
- An estimated USD 7.2 Million has been spent on technology transfer and capacity building initiatives by TotalEnergies EP Uganda and our Contractors since 2021.
- Most initiatives are delivered by Ugandan companies / providers and thus benefit the

trainees as well as the companies. TotalEnergies EP Uganda's Skilling achievements:

- Over 13,000 Ugandans participated in the Tilenga MOOC in 2022.
  - 200 Ugandans from the Tilenga MOOC are selected to undertake training in productions operations at UPIK and abroad as part of the Tilenga Academy Training Program expected to start in 2024.
  - Over 1,500 Ugandans have undergone training and certification in various vocational trades / skills including but not limited to: Heavy Goods Vehicle Driving, Scaffolding and working at heights, Coded Welding, Quality Control (QC) inspection and Non-Destructive Testing (NDT), HSE training etc.
  - 255 government officials have received various local & international training.
  - 16 Ugandans have got international scholarships for master's degree programs in oil and gas courses.
  - 10 internships & 75 graduate trainee placements for Ugandans.
- TotalEnergies EP Uganda's Supplier Development achievements:
- Over 18,000 attendees of Quarterly supplier development workshops held both nationally and within the host communities.
  - 150 companies obtained HSE Management Systems training of which 22 companies achieved ISO certification.

- A community supplier development program is ongoing since 2022 in the host and surrounding districts of Bulisa, Nwoya, Hoima, Masindi, Kikuube and Pakwach. Through this program community suppliers are receiving training, workshops and support to strengthen and develop their capabilities.
  - The Industry Enhance Center (IEC) which TotalEnergies EP Uganda launched February 2024 is a sector led initiative for Ugandan suppliers to access information, trainings, enterprise development & business advisory services.
- TotalEnergies EP Uganda's Support to Education achievements:
- UPIK is supported as part of the Tilenga Academy program with curriculum and infrastructure.
  - Fitout of the Makerere Emergency Medicine Training Center was completed in 2023 with specialized equipment worth 150,000 USD.
  - Tilenga Trainer the Train program for knowledge and skills transfer to Ugandan trainers / teachers / professors through impactful activities with technical experts from Tilenga Project main contractors.
- More initiatives are performed by TotalEnergies EP Uganda contractors and ongoing in 2024 and shall be performed in future.



**National Content development is integral to the success of TotalEnergies EP Uganda's operations and the Tilenga project; the Company will therefore continue implementing impactful initiatives that create lasting shared value for Uganda.**

### By Vision Reporter

Since 2022, BTS Clearing and Forwarding has been providing freight logistics services to TotalEnergies EP Uganda. Over the years, the company has gained a lot of experience and knowledge.

Freight logistics involves planning the movement of cargo such as equipment and products, transporting them from suppliers to users, the oil and gas companies and their contractors.

Merian Sebunya, the Chief Executive Officer of BTS Clearing and Forwarding, said the main business challenges the company faces today, include inadequate working capital.

"Logistics and transport is capital intensive business. Oil and gas is of huge volumes and high value, it requires moving them from end-to-end. Insurance is too costly, yet returns on the investment are low," she said.

Sebunya alluded to the lack of imagination or

# TOTALENERGIES EP UGANDA: MAKING SIGNIFICANT INVESTMENT IN NATIONAL CONTENT



**Merian Sebunya, the Chief Executive Officer of BTS Clearing and Forwarding**

appreciation by other key stakeholders in the supply chain of oil and gas business that impacts their business. She said the discovery and production of oil is quite new in the region.

"The inefficiency in the supply chain adds so much



**Isaac Kanagwa, the Chief Executive Officer of GoldServe**

to the cost of moving the cargo," she said.

Sebunya noted that supplier development programmes offered by TotalEnergies EP Uganda have helped the company overcome these challenges. Both Merian and Isaac

## OUR DEDICATION TO EXCELLENCE HAS PROPELLED US TO BECOME A TRUSTED PARTNER FOR SOME KEY ENTITIES

Kanagwa the Chief Executive Officer of GoldServe, share one and the same advantage of the Tilenga Supplier Development Workshops. GoldServe was founded in 2005 in Uganda. They have grown to attract clients both local, international and deliver with excellence. "Our dedication to excellence has propelled us to become a trusted partner for some key entities," Kanagwa said.

GoldServe offers integrated facility management, workspace fit-out adaptations, health safety and environment

training. They supply various equipment and consumables to upstream oil and gas contractors at tier 1 and tier 2 levels. Kanagwa said the challenges in the industry today for them has revolved around ever-increasing business costs, scarcity of highly experienced tradespeople, payment delays and abrupt contract renegotiations.

"These obstacles can impact operational efficiency and financial stability. However, through strategic initiatives like supplier development programs, we have been

able to find solutions to some of these challenges to ensure continued success and resilience in the dynamic landscape of the sector," Kanagwa added.

He noted that supplier development programmes create a platform, from which peers in the industry meet and share experiences. Through these programmes, they expanded their access to skilled personnel, mitigating the constraints posed by a limited pool of experienced tradespeople.

Kanagwa indicated that overall, TotalEnergies EP Uganda supplier development initiatives have significantly enhanced their operational efficiency and resilience.

# IEC CONSOLIDATES GROWTH OF SMEs

By John Odyek

The Industry Enhancement Centre (IEC) is a strategic initiative, through which TotalEnergies EP Uganda in partnership with Zoram Consulting Group and Invest in Africa, will foster capacity building and transfer of knowledge and technology to Ugandan companies.

Peninah Ahebwa, the Director, Economic and National Content Monitoring at the Petroleum Authority of Uganda (PAU), said the IEC will consolidate the achievements made in the past in enterprise development.

Ahebwa said IEC will complement existing similar initiatives in the private sector.

The IEC serves as one of the initiatives to deal with issues such as lack of knowledge of oil and gas requirements, difficulty in meeting standards,

volume of demand, accessing finance, business administration and management and shortage of skilled and certified personnel.

These can be addressed by being a strategic entity through which key sector players shall achieve capacity building and transfer of knowledge, skills and technology to Ugandan companies.

TotalEnergies EP Uganda has led the setup and operation of the IEC. Tier 1 contractors and other key sector players will support the IEC as per their national content plans and commitments as well as in line with regulation 18 (3) of The Petroleum (Exploration, Development and Production) (National Content) Regulations, 2016.

She compared Uganda to Angola and said Uganda was following in the footsteps of Instituto Nacional de Petroleos (INP), which is the IEC for Angola.



**Peninah Ahebwa, the Director, Economic and National Content Monitoring at the Petroleum Authority of Uganda**

It was established by TotalEnergies and the Government of Angola in 1983. INP has cutting edge equipment for capacity building of Angolan companies.

There is the oil and gas competence development centre in Nigeria that builds capacity of Nigerian enterprises, the National Oil and Gas Excellence Centre (NOGEC) in Nigeria.

Similarly, the Venezuelan institute of oil technology provides technological support for the national oil and petrochemicals industries as a way of building their capacity and reducing dependence on foreign sources of technology.

She further said capacity building through knowledge and technology transfer needs to be intensified to enable the SMEs to transition to more technical and high value contracts that are being executed by foreign companies. This requires more joint venturing in the technical aspects.

"Preparation for the operations phase is key, Ugandans need joint ventures with foreign companies to domicile the provision of services and production of goods or equipment required for the operations phase. The PAU has developed a domiciliation strategy as the first step," Ahebwa

explained. Ugandan SMEs are encouraged to register on the National Supplier Database (NSD) to embrace the capacity building initiatives being availed like the IEC as gateways to opportunities in the oil and gas sector.

The registration on the NSD is free of charge and is done online on <http://nsd.pau.go.ug/>

The regulation and monitoring of participation of Ugandans in the oil and gas sector is not without challenges, some of which have been extended payment periods and geopolitical tensions affecting supply chains.

The authority is making every effort to ensure that the root causes of the issue of delayed payments are well understood, and sustainable mitigation measures are put in place.

The authority also mediates between the relevant companies to ensure all eligible arrears are honoured.

# OIL AND GAS SUPPLIERS GROW IN SPECIALITY

By John Odyek

BEMUGA Forwarders Limited is a Ugandan owned logistics and freight forwarding company with a speciality in the oil and gas logistics supply chain services.

BEMUGA Forwarders Limited has been in existence for 25 years, is an Authorised Economic Operator licenced by the Uganda Revenue Authority (URA) and is an ISO:NEMKO AS: I-QNET certified company. The company offers specialised logistics services in transportation and heavy lifting services in the oil and gas industry.

Didymus Byenkya, the head - corporate account management of BEMUGA Forwarders Ltd, said the challenges of doing business today include; the increasing cost of operation in the region.

"There is a need to bridge the gap in the training of high skilled and technical personnel employed for



**Grace Mukibi**

the specialised services in the industry such as skilled personnel including lifting specialists and supervisors," Byenkya said.

He called on government agencies such as Uganda Revenue Authority, Uganda National Bureau of Standards and the Petroleum Authority of Uganda to provide training to their staff to fast-track the customs clearance processes to reduce delays.

He appealed to the Ministry of Finance to negotiate for special interest rates for financing



**Didymus Byenkya**

the oil and gas projects in Uganda.

He praised the supplier development programmes offered by TotalEnergies EP Uganda, which have played a role in extending procurement advisory as well as highlighting business opportunities in the Oil & Gas sector, especially on the Tilenga Project.

"With the participation of the Tier 1 contractors and the sub-contractors, these engagements have improved our planning, preparation

and readiness to serve the industry especially considering the fact that the levels of compliance are set and determined on an international level," Byenkya said.

He added that the supplier development programmes have addressed grievances in the sector such as delayed payments, shipping schedules, non-conformity where applicable, which have enabled the sub-contractors to improve their performances.

## GROWTH AND STANDARDS

The supplier development programmes have provided a platform for other companies to find niche opportunities to provide services.

Byenkya emphasised that high moral values with increased integrity, honesty, to do clean business, and doing it right are required values. He called for increased levels of quality, health, safety and environment which many Ugandans take for granted.

## CODED WELDERS AND CONTRACTORS (U) LTD

Grace Mukibi, the Managing Director of Coded Welders and Contractors (U) Ltd, said the company is Uganda's trusted provider of innovative engineering services. Mukibi said they safely and consistently deliver quality engineering, procurement and construction services to create value for customers.

The company was incorporated in October 2019 to improve the science and culture of fabrication, welding and general engineering in Uganda by a group of welders. They were selected in 2018 by Total Energies EP Uganda in the East African Crude Oil Pipeline host districts.

They were trained and certified by the American Welding Society standards.

"We are qualified and experienced in delivering engineering, procurement and construction management projects, starting from engineering design to

project execution. Our products and services cover the following specialty areas; engineering, fabrication, installation and maintenance," Mukibi explained. "We deliver quality infrastructure and supply chain top end services to the oil and gas, telecommunications and manufacturing industries," he added. He noted they have established local and international partnerships with companies with internationally recognised quality and product certifications. TotalEnergies EP Uganda on 27th February 2024 launched the Industry Enhancement Centre (IEC), a sector-led initiative aimed at enhancing the capacity of Ugandan Small and Medium Enterprises (SMEs) to participate in the oil and gas sector.

The IEC will provide information, business advisory, training, and capacity building services to enable Ugandan SMEs to meet the standards of the sector. TotalEnergies EP Uganda issued a three-year contract to a consortium comprising Zoram Consulting Group, a Ugandan Company and Invest in Africa, an international company to establish the IEC.