

LEVERAGING MINERAL VALUE ADDITION TO ACCELERATE ATTAINMENT OF UGANDA'S TEN-FOLD GROWTH STRATEGY



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DISCLAIMER

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Abbreviations

ACODE	Advocates Coalition for Development and Environment
AMV	African Mining Vision
ASM	Artisanal and Small-Scale Mining
ATMS and	Agro-industrialisation, Tourism, Mineral-based development (including oil gas), and Science, Technology, and Innovation
EITI	Extractive Industries Transparency Initiative
GDP	Gross domestic product
GFI	Global Financial Integrity
ICGLR	International Conference on the Great Lakes Region
IFFs	Illicit Financial Flows
NDP	National Development Plan
SME	Small and Medium-sized Enterprises

1. Introduction



Uganda's Vision 2040 outlines the country's aspiration to transition from a predominantly agrarian society to a modern, industrialized economy within 30 years. This vision is implemented through a series of five-year National Development Plans (NDPs). The Third National Development Plan (NDPIII) for FY2020/21–2024/25 focused on increasing household incomes and improving the quality of life through industrialization.¹ A key element of this plan has been the promotion of value addition in high-growth sectors, notably mineral development. The current plan has come to its end, and attention has shifted to the Fourth National Development Plan (NDPIV), which introduces a Ten-fold Growth Strategy aiming to boost the economy from USD 59.3 billion to USD 500 billion by 2040. Under NDPIV, Uganda's economic transformation is anchored on four pillars: Agro-industrialization, Tourism, Mineral-based development (including oil and gas), and Science, Technology, and Innovation (ATMS).²

With significant mineral deposits such as gold, cobalt, iron ore, copper, and rare earth elements, among others, the government sees the mining sector as a key driver of this ambitious growth. Currently, the country exports largely unprocessed minerals, limiting economic benefits.³ Transitioning to value-added mineral processing is essential for creating jobs, increasing revenue, and building industrial capacity. Achieving the ten-fold growth target requires sustained economic growth rate of about 8% annually, highlighting the critical role of fully leveraging mineral resources to support economic diversification and propel Uganda toward middle-income status.⁴ Within this strategy, mineral value addition is critical. Efforts like the revitalization of Kilembe Mines⁵ and investments in processing cobalt, lithium, copper, iron ore, phosphates, cement, and rare earth elements aim to stimulate economic growth, enhance industrial capacity, and position Uganda competitively in global markets.⁶ This factsheet therefore explores strategies that Uganda can adopt to leverage mineral value addition to accelerate the attainment of Uganda's ten-fold growth strategy.

1 See, NPA. (2025). Fourth National Development Plan FY2025/26 – FY2029/30. Available at <https://parliamentwatch.ug/wpcontent/uploads/2025/01/PDF-FINAL-NDPIV-for-Parliament-Approval-13122024-1.pdf>

2 Ibid

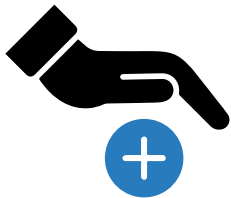
3 See, Mining Sector Profile. Available at https://www.ugandainvest.go.ug/uia/images/Download_Center/SECTOR_PROFILE/Mining_Sector_Profile.pdf

4 Uganda's Tenfold Growth Ambition: Can the FY 2025/26 Economic Strategy Deliver a USD 500 Billion GDP by 2040? - Business Times, accessed May 13, 2025, <https://businesstimesug.com/ugandas-tenfold-growth-ambition-can-the-fv-2025-26economic-strategy-deliver-a-usd-500-billion-gdp-bv-2040/>

5 How Uganda Is Boosting Its Minerals Sector To Achieve Tenfold Growth Target

6 See, UNCTAD. (2023). Economic Development in Africa Report 2023. Available at <https://unctad.org/publication/economic-development-africa-report-2023>

2. What is Mineral Value Addition?



Mineral value addition refers to the process of enhancing raw minerals by transforming them into intermediate or final products with higher market value. This process involves key stages such as beneficiation, processing, refining, and manufacturing. By adding value to minerals, countries can increase revenue, generate employment, and promote technological advancement. The implementation of mineral value addition requires the

active involvement of the private sector, public institutions, partnerships between public and private entities, mining stakeholders, and research institutions, all working collaboratively to achieve targeted economic and development goals.⁷

3. Key Strategies for Leveraging Mineral Value Addition to Accelerate Uganda's Growth Strategy



To effectively leverage mineral value addition in Uganda's ten-fold growth strategy, the government should adopt a comprehensive and strategic approach across-the-board in the following ways:

Effective implementation of the policy and regulatory framework:

Uganda has put in place a progressive policy and legal framework for the mining sector through the Mining and Mineral Policy, 2018 and the Mining and Minerals Act, Cap 159.⁸ However, critical gaps remain in the development and implementation of supporting regulations, as well as in the enforcement of the policy and law. To ensure the effectiveness of the policy and the law, the government must urgently formulate and implement the required programs and regulations. Simultaneously, it is essential to strengthen the institutional capacity of regulatory bodies to facilitate effective monitoring and enforcement of compliance across the sector.⁹ For example, Ghana has enhanced its mining sector with better regulation and formalization, especially in small-scale mining. In 2024, gold mining accounted for 48.4% of GDP, with small-scale miners earning US\$5 billion from exports, showcasing successful reforms. Meanwhile, Botswana's transparent policies in diamond mining have attracted international investment, contributing 30% to GDP and 85% of exports, establishing itself as a model for mining governance in Africa.¹⁰

⁷ See <https://dailynews.co.tz/tanzanias-mineral-value-addition-drive-gathers-pace/>

⁸ <https://acme-ug.org/2022/03/20/an-overview-of-ugandas-new-mining-law/>

⁹ See, ACODE and GFI. (January 2025). Uganda's Mining Legal Regime: Addressing Illicit Financial Flows (IFFs) Risks and Revenue Loss in the Mineral Supply Chain. Available at <https://www.acode-u.org/uploadedFiles/Research-Report-Ugandas-Mining-Legal-Regime-January2025.pdf>

¹⁰ <https://businessghana.com/site/news/business/325637/Mining-Advances-Growth-Prospects-for-African-Economies>

Develop a comprehensive national mineral value addition strategy:

Currently, the country does not have a comprehensive value addition strategy. There is an urgent need to develop a comprehensive national mineral value addition strategy, as current efforts are not guided by a structured plan despite supportive legal and policy frameworks. Such a strategy should identify priority minerals based on market demand, resource availability, and economic potential. It must include clear targets, realistic timelines, and be aligned with national development priorities such as NDP IV¹¹ and Vision 2040.¹² Additionally, the strategy should address the entire value addition chain, including beneficiation, processing, refining, and manufacturing, while considering technological readiness, infrastructure needs, private sector engagement, and a conducive regulatory environment. This approach will help maximize economic benefits for both society and the nation. Countries that have made progress in value addition have developed a mineral value addition strategy that guides the processes. For example, Tanzania has implemented a mineral value addition strategy that includes a ban on the export of unprocessed minerals, reinforcing the country's policy and regulatory framework to promote local processing and maximize economic gains.¹³

Ensure availability of exploration and mineral reserve data:

Uganda faces significant challenges in determining the precise quantity and extent of its natural resources, which complicates value addition, investment attraction, and resource planning.¹⁴ Without reliable data on resource quantities and reserves, planning for value addition becomes difficult because investors and policymakers lack the necessary information to assess potential returns and risks.¹⁵

Strengthen infrastructure development:

A robust infrastructure development forms a critical foundation for successful mineral value addition in Uganda. This requires strategic investments in a reliable and affordable energy supply, efficient transportation networks, including roads and railways, for the seamless movement of raw materials from mining sites to processing facilities and the distribution of finished products to markets. The government needs to ensure an adequate and consistent water supply for various industrial processes. Finally, the establishment of dedicated industrial parks or zones, equipped with the necessary utilities and infrastructure, including regional beneficiation centres, will provide a conducive environment for the clustering and growth of mineral processing industries.¹⁶ For example, since 2009, Tanzania has seen a

11 See, NPA. (2025). Fourth National Development Plan FY2025/26 – FY2029/30. Available at <https://parliamentwatch.ug/wp-content/uploads/2025/01/PDF-FINAL-NDPIV-for-Parliament-Approval-13122024-1.pdf>

12 See, Uganda Vision 2040. Available at <https://www.greenpolicyplatform.org/sites/default/files/downloads/policvdatabase/UGANDA%20Vision%202040.pdf>

13 See <https://dailynews.co.tz/tanzanias-mineral-value-addition-drive-gathers-pace/>

14 See, ACODE and GFI. (January 2025). Uganda's Mining Legal Regime: Addressing Illicit Financial Flows (IFFs) Risks and Revenue Loss in the Mineral Supply Chain. Available at <https://www.acode-u.org/uploadedFiles/Research-Report-Ugandas-Mining-Legal-Regime-Januarv2025.pdf>

15 See, <https://resourcegovernance.org/articles/building-sustainable-investment-climate-ugandas-mining-sector>

16 Uganda's Tenfold Growth Strategy: Lessons from Singapore's Experience - PFM Blog, accessed May 13, 2025, <https://blogpfm.imf.org/en/pfmblog/2025/03/uganda-tenfold-growth-strategy>

fourfold increase in revenue from the extractives sector, as a result of improved infrastructure development due to reforms in mineral governance.¹⁷

Enhance access to finance:



Government of Uganda should establish dedicated financing mechanisms and offer attractive incentives, such as targeted tax breaks, subsidies, and government-backed loan guarantees, to encourage both domestic and foreign investments in mineral processing and manufacturing facilities, with a particular focus on supporting local investors and SMEs.¹⁸ To enhance access to finance, several African governments have introduced or backed financing programs, though results are varied. Many efforts have fallen short due to miners struggling to repay loans, while overly stringent lending terms and high collateral demands have discouraged participation. Nonetheless, countries such as Burkina Faso and Chile have seen some success with more effective financing models tailored to the needs of the mining sector.¹⁹

Invest in skills development and technical education:

Government of Uganda should support develop and implementation of specialized training programs aimed at equipping Ugandans with the necessary skills in mineral processing technologies, industrial chemistry, and related technical fields. Foster strong collaborations between academic institutions and the mining industry to ensure that training programs are relevant to industry needs and promote innovation.²⁰ Countries such as South Africa have invested in developing skills in the mining sector to enhance productivity and promote local employment. Through the Mining Qualifications Authority, the country funds training programs and supports vocational education, aligning training with industry needs. These efforts have improved local employability and strengthened the sector's resilience and competitiveness globally.²¹

Expedite and support the formalisation of artisanal and small-scale mining (ASM):

Government of Uganda should design and implement inclusive policies and allocate adequate resources to support the formalization of ASM operations. This includes providing training on improved and safer mining practices, facilitating access to appropriate and affordable technologies for value addition, and connecting ASM operators with formal markets. Since 2010, Tanzania has integrated the formalization of artisanal and small-scale mining (ASM) into its national Mineral Policy. This effort includes the establishment of model mines and processing centres to support the sector's development. As a result, the ASM

17 The Power of Mining to Transform Development in Africa

18 Uganda's Tenfold Growth Strategy: Lessons from Singapore's Experience - PFM Blog, accessed May 13, 2025. <https://blogpfm.imf.org/en/pfmblog/2025/03/uganda-tenfold-growth-strategy>

19 https://www.planetgold.org/sites/default/files/2020-08/Improving_Access_to_Formal_Finance_in_ASMplanetGOLD_Issue_Brief.pdf

20 See, Jjingo, E. (December 5, 2024). Musingo: STEM education will drive Uganda's development. The Observer. Available at <https://observer.ug/education/musingo-stem-education-will-drive-uganda-s-development/>

21 [https://nationalgovernment.co.za/departments/494/2023-department-of-mineral-resources-and-energy-\(dmre\)-annualreport.pdf](https://nationalgovernment.co.za/departments/494/2023-department-of-mineral-resources-and-energy-(dmre)-annualreport.pdf)

industry has expanded considerably, contributing to increased employment and reduced poverty. The government also encourages responsible mining by providing training in suitable technologies that enhance efficiency and promote environmental sustainability.²²

Promote local content and national participation:



Government of Uganda should design and implement clear and effective measures to actively encourage the participation of Ugandan businesses and citizens across the entire mineral value chain. This can include preferential procurement policies for locally produced goods and services, as well as incentives for joint venture partnerships between local and international investors.²³ Ghana has made progress in increasing the involvement of local firms in the mining sector. In order to optimise the utilisation of its natural resources, Ghana is encouraging local procurement, helping small-scale miners, and making sure that foreign companies employ and train local workers. Through the growth of the mining industry, this strategy is accelerating the generation of revenue for local businesses and driving GDP growth through the expansion of the mining industry.²⁴

Strengthen governance and combat illicit financial flows:

Government of Uganda should enhance transparency and accountability mechanisms within the mining sector to promote investor confidence and ensure that mineral wealth benefits the country. The mining sector is inherently vulnerable to corruption²⁵ in the context of the transition minerals rush, characterized by intense geopolitical competition and ambitious value addition programmes.²⁶ The government must address corruption risks by strengthening inter-agency cooperation to effectively combat illegal mining, smuggling, and other illicit financial flows, and ensure efficient and transparent revenue collection from mineral activities.²⁷ African countries are tackling illicit financial flows (IFFs) in the mining sector through legal reforms, stronger institutions, and international collaboration. Efforts include enforcing transfer pricing rules in countries like South Africa, Tanzania and Zambia, replacing development agreements with uniform fiscal regimes, and enhancing transparency through initiatives like EITI. Countries are also improving mineral value chain monitoring, renegotiating tax treaties, and requiring disclosure of beneficial ownership. Capacity-building for tax officials, better geological data management, and empowering

22 https://australiaaawardsafrica.org/success_stories/formalising-the-artisanal-and-small-scale-mining-sector-in-tanzania/

23 A brief guide to investing in the mining sector in Uganda, accessed May 13, 2025, <https://www.dentonsmininglaw.com/abrief-guide-to-investing-in-the-mining-sector-in-uganda/>

24 <https://energycapitalpower.com/ghana-bolsters-mining-sector-growth-through-local-content-participation/>

25 See, ACODE and GFI. (January 2025). Uganda's Mining Legal Regime: Addressing Illicit Financial Flows (IFFs) Risks and Revenue Loss in the Mineral Supply Chain. Available at <https://www.acode-u.org/uploadedFiles/Research-Report-Ugandas-Mining-Legal-Regime-Januarv2025.pdf>

26 See, Thomas Scurfield, Matthieu Salomon, and Silas Olan'g. (January 2024). Six Keys to Unlocking Equitable Value Addition in Mining. available at https://resourcegovernance.org/sites/default/files/202501/Six_Keys_Unlocking_Equitable_Value_Addition_Mining.pdf

27 See, ACODE and GFI. (January 2025). Uganda's Mining Legal Regime: Addressing Illicit Financial Flows (IFFs) Risks and Revenue Loss in the Mineral Supply Chain, accessed May 13, 2025, <https://www.acode-u.org/uploadedFiles/Research-Report-Ugandas-Mining-Legal-Regime-January2025.pdf>

oversight institutions are key to strengthening accountability. These measures aim to curb IFFs, boost mineral revenues, and promote sustainable development.²⁸

Promote regional and international partnerships:



Government of Uganda should actively pursue collaborations with neighbouring countries and international organizations to facilitate knowledge sharing, attract foreign investment in value-added projects, and develop integrated regional value chains for mineral products, leveraging existing trade agreements and regional economic communities.²⁹ For example, South Africa has effectively utilized both regional and global partnerships to drive progress in its mining industry. By engaging in continental frameworks like the African Mining Vision (AMV) and taking part in international forums such as the Investing in African Mining Indaba, the country has established itself as a central player in attracting mining investments, fostering policy discussions, and promoting the exchange of mining technologies and expertise.

Implement targeted tax incentives and support for value addition:



Offer specific, transparent and well-defined tax breaks, subsidies, and other forms of financial and technical support specifically to companies that invest in mineral processing and manufacturing within Uganda.³⁰ These incentives should be strategically tailored to the characteristics of different minerals and the various stages of value addition to maximize their effectiveness and attract investments in priority areas.³¹

For example, Tanzania has adopted specific tax incentives and measures to encourage value addition within its mining industry. The government has introduced a strict beneficiation policy requiring that all raw minerals be processed locally before granting medium- or large-scale mining licenses. This policy is part of a broader reform package aimed at turning Tanzania's mineral wealth into an engine of industrial growth and regional integration.³²

Regional strategy on mineral value addition:

While value addition offers promising economic benefits, implementing it on a large scale presents substantial challenges. African countries still face persistent challenges, including inadequate infrastructure, high operational costs, and a shortage of skilled labour. Competing effectively in global markets also requires adherence to quality standards, efficient logistics,

28 https://au.int/sites/default/files/documents/44207-doc-impact_of_illicit_financial_flows_-_april_2017_-_web.pdf

29 Third National Development Plan (NDP-III) 2020/21 – 2024/25, accessed May 13, 2025, <https://www.npa.go.ug/wpcontent/uploads/2023/09/NDP-III-English.pdf>

30 Gov't set to support local manufacturers in mineral value addition - Daily Monitor, accessed May 13, 2025, <https://www.monitor.co.ug/uganda/news/national/gov-t-set-to-support-local-manufacturers-in-mineral-value-addition4578346>

31 Mineral Development Programme - Uganda Budget Information, accessed May 13, 2025, <https://budget.finance.go.ug/sites/default/files/02%20Mineral%20Development.pdf>

32 <https://www.monitor.co.ug/uganda/news/national/tanzania-bets-on-value-addition-to-woo-east-african-mining-investors5040502> and <https://resourcegovernance.org/publications/equitable-sharing-mining-profits-best-deal-tanzania>

and regulatory compliance, all of which necessitate substantial investment.³³ A regional strategy can help address these obstacles by allowing countries to pool resources, minimize duplication, and establish shared mineral processing hubs. This coordinated approach can enhance competitiveness, improve efficiency, and strengthen cross-border collaboration. For example, the International Conference on the Great Lakes Region (ICGLR) has released new *Regional Guidelines on Mineral Beneficiation, Value Addition, and Cross-Border Trade*. These guidelines provide a strategic roadmap for deepening cooperation among Member States. They establish a common framework for regulating mineral extraction, processing, and trade, with a strong emphasis on standardized practices and regional integration.³⁴

Conclusion

Mineral value addition is central to Uganda's ATMS strategy, which seeks to achieve ten-fold economic growth by 2040 through leveraging the country's rich mineral resources to drive job creation, industrial development, and export diversification. While progress has been registered through supportive policies such as the Mining and Minerals Act, Cap 159 and export bans on unprocessed minerals, persistent challenges remain. These include infrastructure gaps, limited financing, and regulatory inefficiencies that hinder optimal growth of the sector. Drawing lessons from mineral-rich countries such as South Africa, Ghana, Tanzania, Botswana, and Chile, Uganda must ensure consistent policy implementation, strategic reinvestment of mineral revenues, and strong governance structures. At the same time, it is critical to uphold the "Do No Harm" principle, recognizing that extractive industries can have significant environmental and social impacts if not well managed. Protecting ecosystems, safeguarding community rights, addressing gender inequalities, and eliminating harmful practices such as child labour must remain priorities. Ensuring that mining activities promote sustainability, social justice, and inclusive development will enhance public trust and long-term sectoral resilience. Ultimately, unlocking the full economic potential of value-added mineral development will require a collaborative effort across government, the private sector, civil society, and communities. By combining economic ambition with responsible governance and social safeguards, Uganda can transform its mineral wealth into a foundation for sustainable and inclusive national development.




33 See <https://impacttransform.org/en/icglr-forum-value-addition-2024/>

34 See <https://icglr.org/icglr-regional-mineral-forum-on-mineral-value-addition/>




Global Financial Integrity (GFI) is a Washington, DC-based think tank focused on illicit financial flows, corruption, illicit trade and money laundering.

Advocates Coalition for Development and Environment (ACODE) is an independent public policy research and advocacy think tank based in Uganda, working on a wide range of public policy issues. ACODE has for the last seven consecutive years been ranked in the Global go to Think tanks index report as one of the best think tanks in Uganda and globally.



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