



OPPORTUNITIES



INVEST IN KNOWLEDGE BEFORE CHASING CONTRACTS, PARTICIPANT ADVISES

■ EMPOWERMENT

Ability to compete and complete tasks in the oil and gas sector was at the core of a recent small and medium-sized company training. During the training, experts gave tips on what it takes to succeed in the sector, writes **John Odyek**



PHOTO BY JOHN ODYK

Front row: Rubondo (sixth-left), IEC project director Jimmy Mugerwa (seventh-left), Batebe (eighth-left), Groueix (ninth-left) and SME staff who graduated from the IEC capacity-building programme. This was in December last year at Mestil Hotel in Nsambya, Kampala

As Uganda intensifies its local content strategy in the oil and gas sector, at least 305 staff and managers of small and medium enterprises (SMEs) have graduated from an Industry Enhancement Centre (IEC) capacity-building programme designed to anchor domestic firms in the sector's value chain beyond the construction phase.

Oil and gas industry experts said the graduation signals a phased shift in Uganda's oil and gas industry from a contracts-driven conversation to one centred on enterprise readiness, compliance and sustainability.

They said enterprise capacity has been a key weakness that historically locked out local firms from capital-intensive extractive sectors.

The IEC was established following an industrial baseline survey commissioned in 2013 by TotalEnergies EP Uganda and its joint venture partners. The survey identified major gaps in skills, systems and standards

among Ugandan firms.

The survey recommended the creation of an institutional framework through IEC that will prepare local enterprises to meet international oil and gas requirements.

Speaking during the graduation ceremony held at Mestil Hotel in Kampala on December 16, Philippe Groueix, the general manager of TotalEnergies EP Uganda, said the IEC was designed to build competitive and resilient SMEs capable of operating in the oil and gas sector and beyond.

"The future major players are in the making," Groueix said.

He added that capacity

building is essential if national content objectives are to translate into real economic participation.

The IEC project director, Jimmy Mugerwa, said the graduating SMEs reported tangible improvements in documentation, internal controls, health, safety and environment practices and procurement compliance.

IEC project manager Terry Kinyua said the curriculum covered bid management, oil and gas sector fundamentals, as well as health, safety and environment. The course also covered ISO standards, financial management, tax planning, environmental, social governance and compliance, market access, as well as diversification.

■ OIL: CATALYST FOR ECONOMIC TRANSFORMATION

The energy ministry permanent secretary, Irene Batebe, said the real value of oil and gas lies not only in barrels produced, but also in the skills, systems and institutions.

Kinyua added that engagements with the Uganda Revenue Authority and the National Social Security Fund have enabled many SMEs to attain full regulatory compliance,

which is often a major barrier to winning contracts.

REAL CHANGE

For beneficiaries, the impact has been practical rather than theoretical.

Jonah Mangeni, the director of business development at Jaywab Solutions in Bweyogerere, Kampala, said the programme transformed how SMEs understand and approach oil and gas procurement.

"Our mindset changed, our operations have been aligned with what clients are looking for, and we can now compete effectively," Mangeni said.

He advised other SMEs to invest in knowledge before chasing contracts.

HUMAN CAPITAL

In a keynote address, Prof. Samuel Ssejjaaka, the principal and country team leader of MAT ABACUS Business School, said local content must be anchored in competence and trust.

"Business is based on trust. When you get a cheque, do not run away. Keep earning it through doing good work," he said.

Ssejjaaka urged SME leaders to build reputations that sustain growth.

VALUE REALISATION

The executive director of the Petroleum Authority of Uganda, Ernest Rubondo, said public expectations of oil revenues often overlook the preparatory phase that determines long-term success.

"Our goal is to build sustainable enterprises that can compete locally and globally," Rubondo said.

He added that similar Norwegian firms now earn revenues beyond their home markets.

IN NUMBERS

5,900

SMEs trained

CAPACITY DEVELOPMENT

According to the Petroleum Authority of Uganda, over 3,000 firms' capacity has been built over the last five years.

Over 5,900 SMEs have engaged in supplier development workshops and over 2,500 engaged through conferences.

\$2.2b

Awarded

CONTRACTS FOR LOCAL CONTENT

Contracts worth over \$2.2b (about sh7.97 trillion) have been awarded to Ugandan companies so far.

Over 630 out of the 3,087

entities registered on the National Supplier Database have so far been awarded contracts, and 465 were Ugandan entities.