National Workshop Report

on

Fuel Efficiency Initiative in Uganda

14th May 2015

Sheraton Hotel, Kampala-Uganda
### Conference Organization

<table>
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<tr>
<th><strong>Organized by:</strong></th>
<th>Ministry of Energy and Mineral Development, United Nations Environment Programme</th>
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### List of Abbreviations

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<th>Abbreviation</th>
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<tbody>
<tr>
<td>FEI</td>
<td>Fuel Efficiency Initiative</td>
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<tr>
<td>MEMD</td>
<td>Ministry of Energy and Mineral Development</td>
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<tr>
<td>UNEP</td>
<td>United Nations Environment Programme</td>
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<td>GFEI</td>
<td>Global Fuel Efficiency Initiative</td>
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<td>LDV</td>
<td>Light Duty Vehicle</td>
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<td>SDG</td>
<td>Sustainable Development Goals</td>
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<td>EE&amp;C</td>
<td>Energy Efficiency and Conservation</td>
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<td>KCCA</td>
<td>Kampala City Council Authority</td>
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<td>MOWT</td>
<td>Ministry of Works and Transport</td>
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<tr>
<td>EE&amp;C</td>
<td>Energy Efficiency and Conservation</td>
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<td>MRV</td>
<td>Monitoring Reporting and Verification</td>
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EXECUTIVE SUMMARY

The Ministry of Energy and Mineral Development (MEMD) in partnership with the United Nations Environment Programme (UNEP) organized a one day workshop on Fuel Efficiency Initiative (FEI) development in Uganda. The workshop was mainly to report and discuss the findings of the baseline survey on Fuel Efficiency Initiative (FEI) in Uganda. This is a follow up activity under the Global Fuel Efficiency Initiative (GFEI) that aims at promoting cleaner and more fuel efficient vehicles worldwide.

The workshop was held on 14th May 2015, at the Sheraton Hotel in Kampala, Uganda. The workshop was attended by participants from government agencies, private agencies, UN agencies, Parliament, and the academia. The workshop was officially opened by the Commissioner for Energy Efficiency and Conservation (EE&C) of MEMD, Mr. James Banaabe, who gave a key note address.

The workshop discussed initiatives to promote fuel efficiency and reduce carbon dioxide ($CO_2$) emission as well as the negative impacts of inefficient vehicles in Uganda. The workshop also looked at the existing national policies and regulations on fuel efficiency and proposed additional and new policies to improve the country’s vehicle fuel efficiency.

The key outcome of the workshop was the recommendation for government to accelerate the fuel economy initiative. In addition, it was recommended that the findings from the baseline survey be communicated to all stakeholders. This would help to sensitize all stakeholders on the need for action as well as seek their support towards the implementation of the proposed policies to improve the country’s fuel efficiency and reduce emissions.

This report highlights the presentations made at the workshop and the discussions held based on the findings of the baseline study. It further gives recommendations and the next steps to enable Uganda improve its fuel economy and contribute to reduction of GHG especially $CO_2$ emissions.
1.0 BACKGROUND
In October 2014, the Government of Uganda through the Ministry of Energy and Mineral Development (MEMD) signed an agreement with United Nations Environment Programme (UNEP) to undertake a baseline survey on Fuel Efficiency Initiative (FEI) in Uganda. This baseline survey was to help the government of Uganda in the development of a cleaner, fuel efficient vehicle strategy and policy.

According to the GFEI report of fuel economy in 2014, the global transport sector contributes about 25% of the energy related global greenhouse gas emissions. Globally, the transport sector is rising faster than any other sector and the number of vehicles on the planet is set to triple by 2050 - the vast majority in non-OECD countries (GFEI, 2014). Thus, promoting fuel efficiency and reducing carbon dioxide (CO₂) emissions is a key global development agenda. The GFEI has set a target of a 50% improvement in vehicle fuel economy in new LDVs by 2030 and across the total global car stock by 2050 as part of the post-2015 Sustainable Development Goal (SDG) framework.

One way of reducing vehicle emissions in Uganda is to further improve efficiency of vehicles, adoption of cleaner fuels such as low sulphur diesel among other measures. According to UNEP, projections indicate that it is possible to improve average fuel economy of new cars in OECD countries about 30% by 2020 and 50% by 2030 at little or negative cost considering fuels savings (Source: IEA¹). Savings of a similar magnitude are also possible in developing (non-OECD) countries.

The main objective of the Fuel Efficiency Initiative in Uganda is “to support the development of cleaner and more fuel efficient vehicle strategies and policies”.

The Ministry of Energy and Mineral Development in partnership with UNEP organized a one day workshop to disseminate the preliminary findings of the baseline survey on fuel efficiency. The workshop had the appropriate high level participation from stakeholders and focused on cleaner, more efficient vehicle options for Uganda.

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1.1 Purpose of the workshop
The workshop was organized to enable all stakeholders and participants understand the fuel efficiency initiative, status of fuel economy, results of the baseline and understand their respective roles in the fuel efficiency initiative in Uganda. This would assist to arrive at key conclusions and the way forward in the development and implementation of Fuel Efficiency Initiative (FEI) in Uganda.

1.2 Participants
Several organizations, companies, institutions and government agencies were represented at the conference. The participants included Government agencies like Ministry of Energy and Mineral Development, Ministry of Finance Planning and Economic Development, Ministry of Works and Transport, Ministry of Water and Environment, Private agencies, UN agencies, Parliament, the Academia and civil society.

2.0 WORKSHOP PROCEEDINGS AND PRESENTATIONS
The workshop was officially opened by Mr. James Baanabe - the Commissioner for Energy Efficiency and Conservation (EE&C) on behalf of the MEMD. He gave the key note address on Fuel Efficiency Initiative that highlighted the Ministry’s views on Energy Efficiency and Conservation. The UNEP representative, Ms. Jane Akumu welcomed the participants and gave a few remarks on the status of clean fuels and vehicles across the globe and Africa. Various presentations were made by representatives of different organizations and institutions. Below are highlights of each of the presentation and the ensuing discussions.

2.1 General FEI presentation – Gerald Banaga-Baingi (Team Leader, FEI)
The presentation gave an overview of the role of FEI and presented the objectives of the project as;
- formulating fiscal and non-fiscal measures and policies to promote energy conservation and efficiency;
- establish measures for pollution control including clean fuels and importation of more fuel efficient vehicles;
- create incentives for public mass transport(PMT) systems;
- opportunities for alternative fuels; and
- increase public awareness.
He highlighted the benefits of implementing the project in Uganda and invited government agencies and other stakeholders to participate in the programme activities paying particular attention to those areas under their agencies. He added that the programme is multisectoral. In other words it cuts across many sectors and mandates that lie among the various agencies. This is because the issue of fuel economy is much wider than any single sector such as transport and energy. Hence the formation of a taskforce structure which responds directly to this challenge. Uganda has used this structure before and had successful outcomes. For example during the phase-out of lead petrol and reduction of sulphur in fuels, all stakeholders worked together for the successful results. The need for a multistectoral approach is important for instance with respect to fuel supply the MEMD is critical, on fuel standards and standards for vehicle labeling (UNBS), MOWT is the key Ministry on vehicles specifications and status, NEMA/MWE on emissions and air quality, Urban authorities like the KCCA on urban transport and city public transport, POLICE on enforcement, MOFPED on fiscal measures such as road tax, fee bates etc. The interdependency of the different agencies is clear for instance the energy sector may be interested in the fuel efficiency/consumption, or to measure the impact of the fiscal measures under Ministry of Finance, this requires an MRV which requires vehicle inspection under the Ministry of Transport. It is important therefore that all parties identify their roles and contribution and have this well-defined and structured for the FEI to be successful.

2.2 FEI Baseline survey report – Dr. John Mutenyo (Consultant)

Dr. John Mutenyo gave a background about the FEI baseline study and outlined main guidelines of the survey which were the Motivation, Objectives, Preliminary results, Challenges and Way forward. In his presentation, he highlighted the activities and findings from the study being:

- Obtained automobile data from URA and MOWT both custom and e-tax
- Data management process
- Acquired fuel efficiency model
- Showed the distribution of vehicles by engine capacity and status at registration
- Showed fuel efficiency and CO₂ emissions by fuel type
- Showed annual fuel efficiency rations, carbon dioxide emission ratios, average carbon emissions ratio, and average fuel efficiency and CO₂ emissions for motorcycles.
• Highlighted current fuel efficiency policies and policy suggestions
• Gave the Cost Benefit Analysis
• Highlighted the potential cost and benefits
• Draw attention on financial cost and benefits for reduced carbon emissions and forecasts

He concluded his presentation by stressing on the challenges like having difficulties on getting data from Uganda Police Defense Force (UPDF) and finding most policies and regulations in draft form. He suggested that these challenges be discussed on for better solutions.

2.3 Efficient Transport for Kampala city: status and progress – KCCA
KCCA made a presentation giving status and plan for transport especially in Kampala city. KCCA showed how vehicles in the city will be controlled through setting up specific areas for taxi parks and specific type of passenger vehicles to enter the city center. The plans geared the promotion of public transport, mass transit, non-motorized transport and planning for improved traffic flow. He also showed how KCCA plans will emphasize on fuel efficiency and reduction of carbon emissions through vehicle monitoring.

2.4 Current Fuel Quality and Monitoring-UNBS/MEMD
The presentation covered the status of the fuel supplies and quality monitoring and the progress on the fuel quality standardization and harmonisation across the East African region. The presentation was prepared by Mr. Spero Byokunda, Senior Petroleum Officer who heads Laboratories and Inspection, on the quality fuels a programme run by the Ministry of Energy and Mineral Development and the Uganda National Bureau of Standards, who jointly manage the fuel marking programme.

2.5 Vehicle Inspection: progress and plan – Ronald Amanyire (MOWT)
Mr. Amanyire presented on the work plan of MOWT regarding vehicle inspection that will address inefficient vehicles in the country. He confirmed that there is a program of creating 4 inspection sights around the greater Kampala metropolitan for all vehicles both registered and in coming. Further these inspection sites will be stationed in areas that are not congested, and that the purchase of suitable land is ongoing. He gave highlights on the activities that will take place at the inspection sight:
• Inspection on levels of carbon emission of a vehicle
• Inspection on the engine capacity and its mechanical condition/status
• The period of time the vehicle has been in the city
• Chain of ownership
• Scraping inefficient vehicles
• Validating vehicles and labeling
• Set technical regulations among others

He concluded by emphasizing on how this program will contribute to;
• Reducing fuel consumption
• Reducing inefficient vehicles in the city
• Reducing on the number of accidents especially those caused by inefficient vehicles
• Reduce expenditure on health
• And improve on the transport structure in Uganda.

3.0 KEY ASPECTS OF THE BASELINE SURVEY.
From the baseline survey, some key input information has been determined so far, including;
  ▪ A detailed inventory of the current vehicle population and emerging trends in Uganda.
  ▪ A forecast of the automobile LDV growth
  ▪ A baseline fuel efficiency
  ▪ An assessment of government regulations and incentives to promote cleaner and fuel efficiency vehicles
  ▪ A forecast of the GHG emissions
  ▪ Draft policy options and recommendations

4.0 RECOMMENDATIONS
The Workshop made a number of recommendations that would enable the country improve its fuel economy.
The recommendations are;
  i. To conclude the baseline study to facilitate planning for the implementation of the fuel economy initiative
  ii. To develop fiscal and non-fiscal measures to improve fuel economy
  iii. Given the wide scope of the fuel quality, standards, fuel economy and vehicle inspection, and GHG emissions and climate change, to increase participation of stakeholders in the development of polices and implementation of initiatives in the fuel efficiency field
iv. To increase promotion of public awareness on FEI and impacts of inefficient vehicles on the economy
v. To develop appropriate policies and regulations to promote clean and efficient vehicles

5.0 NEXT STEPS
1. Conclude the Baseline survey and the MRV plan process by July 2015
2. Identify the possible financiers/support for the Initiative and evaluate their requirements
3. Coordinate the various stakeholders to begin on the planning process for the implementation
4. Develop an implementation plan
5. Continue undertaking public awareness on fuel efficiency and the need to improve the fuel economy of the country