



EUROPEAN UNION

DELEGATION TO THE REPUBLIC OF UGANDA

**Speech by H.E. Attilio Pacifici  
EU Ambassador to the  
Republic of Uganda**

**Ground-breaking of the projects:**

**- Contribution to the Development Initiative for Northern  
Uganda through the rehabilitation of the Tororo-Gulu railway**

**- Construction of the Gulu Logistics Hub**

**Gulu Railway Station  
23<sup>rd</sup> October 2020**

- H.E. President Museveni Yoweri Kaguta, the President of the Republic of Uganda,
- Right Hon. Ruhakana Rugunda, Prime Minister and Leader of Government Business ,
- Hon. Gen. Moses Ali, First Deputy Prime Minister and Deputy Leader of Government Business in Parliament,
- Hon. Matia Kasaija, Minister of Finance, Planning and Economic Development,
- Hon. Gen. Edward Katumba Wamala, Minister of Works and Transport

- Hon. Grace Kwiycwiny, Minister of State for Northern Uganda, Office of the Prime Minister
- Hon. Joy Kabatsi, Minister of State for Works and Transport (Transport)
- Hon. Peter Lokeris Peter, Minister of State for Works and Transport (Works),
- Members of Parliament,
- Permanent Secretaries,
- Managing Director of Ugandan Railway Corporation,
- Representative of the local governments,
- Representatives of the United Kingdom Foreign, Commonwealth and Development Office (FCDO - formerly DFID)
- Representatives of Development Partners
- Representatives of the companies implementing the projects,
- Representative of the Cross-Cultural Foundation for Uganda.
- Ladies and Gentlemen of the Press,
- Distinguished guests.

**Mr President**, it is a great honour for me to be here today for the launch of two flagship projects of the Uganda-European Union partnership: the "**rehabilitation of the Tororo-Gulu railway line**" and the "**Construction of the Gulu Logistics Hub**".

I would like to thank the Government of Uganda for the invitation and all the organisers for making this event possible.

The Tororo-Gulu railway line used to be a central economic artery along the East African Northern Corridor linking the port of Mombasa and Eastern Uganda to Northern Uganda, as well as the neighbouring countries of South Sudan and the Democratic Republic of Congo.

The exhibition we prepared with the Cross-Cultural Foundation for Uganda is a testimony of this period and the importance of the railway's heritage for Uganda and the region.

The line has been out of service since 1993 notably due to actions of war by the Lord's Resistance Army and the unfair competition by overloaded trucks. We are proud to support the revitalisation of this important economic link at a time when competitiveness of the transport system is hugely important and will play a crucial role in recovering from the economic impact of the COVID-19 pandemic.

This railway corridor will for now end in Gulu with the Gulu Logistics Hub. The Hub is an intermodal platform that will allow the linkage between rail and road modes, with the aim of improving trade to, from and within Northern Uganda as well as trade with the neighbouring countries of South Sudan and the eastern part of the Democratic Republic of Congo.

The Gulu Logistics Hub will help in the consolidation and exportation of the goods produced from the value chains in Northern Uganda, and will also facilitate the importation and distribution of goods within Northern

Uganda for the transformation and improvement and those value chains.

The EU's support to both projects is a **grant**.

It is a grant amounting to more than 120 billion Uganda shillings, equivalent to 27.6 million euros. The Government of Uganda provides counterpart funding to the tune of 113 billion Uganda shillings (equivalent to 26.1 million euros). The United Kingdom, whose cooperation and partnership we value and enjoy, also supports the Logistics Hub of Gulu with 13 billion shillings (2.7 million euros).

Our support covers:

1. the physical rehabilitation of the railway line awarded to the French consortium SOGEA SATOM and ETF both subsidiaries of the VINCI group,
2. the supervision of the works, awarded to the Spanish company TYPASA,
3. the construction of the Gulu Logistics Hub awarded to the Ugandan company Ambitious Construction and the

supervision awarded to the Ugandan company called  
Obuntu Consulting Limited,

4. the provision of Transaction Advisory services for the procurement of a private party for the operation and maintenance of the Gulu Logistics Hub,
5. capacity building to the Uganda Railway Corporation awarded to the Danish company NTU, and **finally**
6. the development of a railway museum for Uganda in Jinja station, similar to – **but much better than** - the Nairobi Railway Museum.

Your Excellency,

I hope you had the opportunity to take a good look at the railway exhibition, which is a testimony of the rail's heritage and its significance to both Uganda and East Africa. These exhibits will later be moved permanently to a Railway Museum which we are developing in Jinja jointly with the Contractor and the Cross Cultural Foundation of Uganda.

Actually on the latter, you might remember, Your Excellency, the photobook on Uganda's historical buildings developed with EU support together with the Ministry of Tourism and the CCFU. **We are actually thinking to follow that up, next year, with a second photobook about Uganda's railways. That would match well also with an important date for Europe given that 2021 is the European Year of Rail! I hope Mr President that you will accept to write a short introduction for such book.**

Your Excellency,

**Together with the line Ministry, we have put in place an international consortium of companies at Uganda's service.** This high-quality "EU-Uganda" partnership will be the blueprint for the future of our cooperation and I trust our partnership will continue to deepen and to expand as we move forward at the service of the people of this country.

I take note that Uganda has also made a large provision to support financially these projects which confirms their

strategic significance, their potential for real impact and the solid ownership that Uganda has taken of the projects.

Allow me also to emphasize the importance of coherence between planning and implementation of these projects.

The works on the Logistics Hub are scheduled to be completed by the end of 2021, but progress for the Government to build a 2km access road to the Hub remains uncertain. It would be a pity to have the whole project delayed by a simple access road, especially if the Hub is ready to operate next year as planned.

All other works have started and are progressing well despite the disruptions caused by the COVID 19 pandemic.

The **375 km** railway line has been cleared in a good partnership between the contractor SOGEA-SATOM and the Ugandan state-owned National Enterprise Corporation (NEC), duly applying the principle of optimising local content and input.

You Excellency,



With those projects, the EU continues to support Uganda's economic growth through the promotion of a multimodal, safe and efficient transport sector. We want, in particular, to support the efforts of Government to shift cargo from roads to greener, more competitive, efficient and safe transport modes such as railways and waterways.

This project is part of the EU's efforts to help Government develop better economic opportunities for Northern Uganda complementing well the EU humanitarian assistance to refugees and our support to host communities. Yes indeed, Mr President, the EU is also a major partner helping Uganda in so many ways to care for millions of refugees as well for the communities and the districts hosting them. Let's keep that also in mind when talking about a partnership, Mr President, which did not start yesterday but which goes back to more than 45 years now!

We believe that these two projects, along with the Atiak-Laropi road rehabilitation, will have a major impact on the

facilitation of trade by reducing import and export transportation costs, thereby contributing to regional integration and to strengthen Uganda's competitiveness within the EAC region. The Gulu Logistics Hub, together with the railway line, will be a key import/export platform not just for Northern Uganda but also for South Sudan and Eastern DRC.

In order to facilitate export and import, the URA will also be permanently located within the Hub and there will also be a custom bonded warehouse. So, all custom clearance formalities will be done in the Hub in Gulu without the need to go to Malaba or to the port of Mombasa.

Your excellency,

The project will have a spill-over effect on private sector growth and on investment promotion as well. It will add value to the key value chains of Northern Uganda including agricultural products, cement, oil and gas, mining as well as industrial products in general.

The projects we launch today are about improving logistic services and efficient logistics is a key factor to successful economic diversification, growth and trade. Along with transport, logistics is an important cornerstone for businesses across all economic sectors: from producers of natural or raw materials, to goods manufacturers, processors, exporters, importers, etc. Logistics is one of the areas through which the competitiveness of companies operating in Uganda – in particular small and medium-size enterprises – can be increased dramatically in the short-term. Logistics is therefore a key driver for Uganda’s industrialisation agenda.

The benefits of improving logistic services in Uganda are potentially very significant, both in terms of productivity and employment generation. Over 200,000 people are estimated to be currently employed in logistics in Uganda and this number could rise to over 500,000. The numbers can actually be much higher when considering the indirect employment resulting from sector growth.

Your excellency,

I am glad to say that the Tororo-Gulu railway project, combined with the Gulu Logistics Hub, will certainly contribute significantly to job creation in Northern Uganda.

Furthermore, by reducing the costs of importation, the project will also have an impact on poverty reduction. For example, the logistics costs for the importation of rice represent as much as 60% of the total value. Therefore, the price of rice can be significantly reduced if transport costs are lowered. Of course this project will also help deliver humanitarian assistance more quickly, efficiently and cost-effectively to the more than 1,000,000 refugees hosted in the northern Uganda.

Your excellency,

The Government of Uganda through Uganda Railway Corporation (URC) recently took over the operation of the railways in Uganda and since then several positive

developments have been noted, such as the re-opening of the Central corridor with the rehabilitation of the Port Bell line.

We are aware that the management of trains' operations, the maintenance of the infrastructure and assets, the maintenance of the rolling stock are important challenges now facing the URC. We have therefore decided to provide capacity building to improve URC's performance. And of course we are all well aware that the rehabilitation and strengthening of the infrastructure assets will have to be accompanied by the refurbishment of the existing rolling stock, acquisition of additional rolling stock, as well as investment needs in staffing and training. There is so much to do your Excellency but there is a lot of enthusiasm and a great deal of commitment among partners and these are the key ingredients for success!

As you have repeatedly mentioned in public interventions, Your Excellency, the current pandemic has clearly shown that railway is a safer and more efficient mode of

transportation than road. Having a competitive railway network would have saved Uganda from many COVID 19 cases imported by truckers. Furthermore, railway saves countries from many accidents and fatalities and is a greener and cheaper mode of transport.

What I recalled today are the key reasons explaining why we have chosen to work with you and with other development partners and financial institutions to secure investments in the rail sub-sector.

Finally, we know that Uganda is considering the construction of a new Standard Gauge Railway (SGR) and we are confident that pending the moment when this plan will materialise, bringing back to life and to operation the existing Meter Gauge Railway is a realistic, good, solid and relevant solution for Northern Uganda and for the entire country.

Thank you for your attention.