On March 3, 2022, Hon. Mathias Mpuuga (in a red tie) presented the opposition’s views on the Electricity (Amendment) Bill, 2022 to parliament’s Committee on Environment and Natural Resources. He proposed a reduction in electricity tariffs for domestic consumers by at least Shs. 200 per unit.

In this newsletter:

- Power up the people! Address gaps in Electricity (Amendment) Bill!
- Pictorial of our activities
- Lobbying
- In the media
- Upcoming events
Dear reader, welcome to our April 2022 newsletter. On April 12, 2022, parliament passed the Electricity (Amendment) Bill, 2022.

About four months before the bill was passed, an electricity consumer, Maama Sharon faced a conundrum.

Tough-looking UMEME men together with Uganda Police officers had raided Maama Sharon’s salon in Makindye, arrested her, and dumped her in a van. She was taken to a police station.

What was Maama Sharon’s crime, and how is her story related to the passing of the Electricity (Amendment) Bill, 2022?

Well, Maama Sharon runs a small hair salon. She needs electricity to boil water for washing her customers’ hair, run her hair drying machines, and others. Maama Sharon charges a small fee of Shs. 5,000 for hair washing and drying.

This fee covers her electricity, water, labor, rental and subsistence needs. It is too small however and, as a result, Maama Sharon has to cut costs. She did this by tampering with her electricity metre.

This is an offence and to ensure that electricity consumers such as Maama Sharon comply with the law, UMEME carries out regular operations to arrest culprits. Maama Sharon was arrested during one of these routine operations.

The Electricity (Amendment) Bill, 2022 lays out steeper penalties for people like Maama Sharon.

However, the bill, which was first presented to parliament on January 27, 2022, to repeal the 1999 Electricity Act comes short in addressing the real challenges that Ugandan electricity consumers and the country at large face.

Challenges such as exorbitant new connection fees, high power prices that lead to suppressed demand or power theft, corruption by utility companies and government especially when negotiating Power Purchase Agreements for dams, unreliable power supply, and others are not addressed by the Electricity (Amendment) Bill, 2022.

The objectives of the bill include: to increase the resources allocated to the Electricity Regulatory Authority (ERA) from 0.3% to 0.7% of the revenue received from generated electrical energy, and to provide for a staggered term for members of ERA.

Others include: to provide for additional functions of ERA, and to empower the Minister of Energy to prescribe the procedure for transfer of generation assets to government.

Other objectives include: To prescribe the circumstances under which a holder of a generation or transmission licence may supply electricity to persons other than a bulk supplier, and to provide for deterrent penalties for theft of electricity, among others.

By and large, these objectives do not address the aforementioned challenges of high connection fees, high power prices, corruption and others faced by electricity consumers in Uganda.
In our **Word from the CEO and partners**, we discuss the gaps and weaknesses in the Electricity (Amendment) Bill, 2022. We make recommendations to address these challenges.

We believe that it was wrong for parliament to pass a law that does not address Ugandans’ needs. We call upon the President to return the Electricity (Amendment) Bill, 2022 to parliament to reconsider and address the gaps.

In this newsletter, we also bring you our **pictorial** section. In the section, we bring you the activities that we and our partners implemented this month.

For instance, court heard the case in which AFIEGO and youth are challenging the Tilenga oil project’s Environmental Impact Assessment (EIA) certificate of approval. We bring you details of what transpired during the hearing.

Furthermore, AFIEGO organised a meeting with Uganda National Renewable Energy and Energy Efficiency Alliance (UNREEEA).

UNREEEA is a member of the Inclusive Green Economy network–East Africa (IGEN-EA), which is hosted by AFIEGO.

During the meeting, we discussed the electricity sector challenges that citizens face and how these can be addressed.

AFIEGO also participated in the European people’s Annual General Meeting. In the meeting, AFIEGO presented on the impacts of oil projects in Uganda.

In addition, this month, AFIEGO staff were trained in safety, joined other civil society groups to discuss green economic alternatives that Uganda should promote, and we joined our Green Livelihoods Alliance (GLA) partners to reflect on our work on protecting forests in 2021. We bring these activities to you in our pictorial section.

In our **lobbying** section, among others, we share a letter written by AFIEGO and 64 civil society partners to the Italian and German Export Credit Agencies (ECAs) over the East African Crude Oil Pipeline (EACOP) project.

Finally, in the **media** section, we bring you some of the over 14 newspaper articles written by our staff and partners that were published in the leading newspapers in April 2022.

We hope you enjoy the newsletter.

**Editorial team:**
Diana Nabiruma
Rachael Amongin
Balach Bakundane
In 2018, Patrick*, a youth, heard about the ‘Free’ Electricity Connections Policy (ECP) that the Ugandan government had launched.

The ECP was launched in August 2018 and was rolled out by government in November of the same year.

Through the policy, the Ugandan government sought to increase annual electricity connections to 300,000, up from an average of 70,000.

Government sought to attain the above by providing “free single-phase electricity connections to houses and business premises ... within 90 meters of a low-voltage electricity pole”.

Ugandans who wanted to get connected to electricity under the ECP were required to pay only Shs. 20,000 in inspection fees.

Patrick, who is his family’s breadwinner, was excited when he heard about the policy. Patrick supports his family through the income that he earns from the small commercial rental units that his mom left for the family when she passed on.

In March 2020, Patrick picked application forms for a new electricity connection from a UMEME office near him. He filled and returned the forms to the UMEME office. He also paid the inspection charge in the bank.

“In June 2020, a man claiming to be from UMEME called me. He asked for Shs. 100,000 to come and inspect my premises. I did not give this man the money as I wasn’t sure that he was from UMEME.

I waited for the right UMEME people to contact me. In April 2021, a team from UMEME came to my premises and surveyed them. I however have not received any metre from UMEME to date,” Patrick says.

He adds that the lack of an extra metre at his rental property has made running of his business difficult.

**ELECTRICITY SECTOR FAILURES**

Patrick is like hundreds of thousands of other Ugandans. UMEME reports that the company has failed to connect 210,000 customers who applied for new connections.

The backlog has been created by a number of challenges including lack of connection materials, lack of financing from government and others.

In December 2020, the Electricity Regulatory Authority (ERA) informed Ugandans that due to lack of finances for the ECP, Ugandans with means could pay the following connection fees to access electricity:

- Shs. 720,883 for domestic consumers requiring no poles;
- Shs. 2,387,472 for bare conductor connections requiring poles and;
- Shs. 2,741,188 for ABC conductor connections requiring one pole.

The above charges, which do not include inspection fees of between Shs. 41,300 and 118,000, are out of reach for the majority of Ugandans, which undermines new connections thereby hampering business.
It should be noted that before commencement of the ECP, electricity connection costs were relatively cheaper and more affordable. For example, a no-pole connection cost less than Shs.120,000 while the cost of a one-pole connection was less than Shs. 400,000.

For an unknown reasons, under the ECP, the government started paying Shs. 850,000 and Shs. 2,300,000 for a no-pole and one-pole connection respectively.

UMEME, which the President had some time back accused of cheating Ugandans and had directed the IGG to investigate for possible connivance with some corrupt government officials to inflate power losses, happens to be the biggest beneficiary of the ECP.

Indeed, since 2005, UMEME has continued to enjoy over 90% monopoly of the power distribution business in Uganda. This means that they take over 90% of the free connection funds.

It is not clear why despite the existence of the Rural Electrification Agency (REA), a government entity charged with connecting the poor, it is UMEME that implements almost the entire ECP. The question remains: how was UMEME selected? Was the process transparent?

Also to note is that since the commencement of the ECP in 2018 to date, no evaluation has been done to assess the relevance and effectiveness of the policy.

Other failures in the electricity sector include:

• High power prices. Currently, a unit of electricity costs nearly Shs. 1,000 including VAT for domestic consumers.

• Forcing electricity consumers to pay for deemed power. Notably, per parliament’s Budget Committee, Ugandans need to pay Shs. 193 billion in the coming financial year for deemed power.

• In addition, high corruption rates have seen the Ugandan government sign Power Purchase or concession agreements that guarantee high returns on investment for so-called investors. The Bujagali agreement is one such expensive agreement. Power from Bujagali contributes 27% to the tariff while that of UMEME contributes 26%.

• Unreliable power supply, failure to put in place policies to promote off-grid electrification, especially for rural communities and others are some of the other challenges that electricity consumers are faced with.

• Failure to implement the 2016 Off-grid Solar Compact Agreement and diversify electricity sources is also a challenge. The continued over reliance on hydro power and the national grid remains one of the biggest obstacles to achieving affordable and reliable electricity for all Ugandans.

**GAPS IN ELECTRICITY (AMENDMENT) BILL, 2022**

Does the Electricity (Amendment) Bill, 2022 address the above challenges? AFIEGO and our partners reviewed and submitted our views on the bill to parliament on March 7, 2022.

In our review, we identified a number of gaps and weaknesses, including the fact that the bill does not address the aforementioned challenges faced by electricity consumers. Instead, the bill largely prioritises meeting...
the needs of ERA, electricity utility companies and industrial consumers. The above wouldn’t be a challenge but in a country where Micro, Small and Medium Enterprise (MSMEs) and the subsistence economy employs the majority of Ugandans, it is important to address the electricity needs of this cluster of consumers.

The bill also has the following gaps:

(a) **Clause 5 of the bill** increased the resources of ERA from 0.3% to 0.7%. ERA derives these resources from fees paid by electricity licensees. To provide oversight over ERA in its relations with licensees and to promote accountability, the bill should have provided that the fees payable by the licensees to ERA should be approved by parliament on an annual basis.

(b) **Clause 14 of the bill** that provides for the distribution of electricity by bulk suppliers to specified classes or categories of customers fails to set a timeframe within which ERA must put in place regulations. These regulations relate to cases where anyone with an electricity generation license can sell electricity directly to distributors, transmitters, and/or consumers. Without regulations, efforts to reduce electricity tariffs for specified categories of consumers will be derailed.

(c) **Clause 20 of the bill** introduces stiffer penalties for consumers who steal power.

Power theft results in high power tariffs for paying consumers. While the clause is important, the bill comes short as it fails to set penalties for utilities that connive with the Ugandan government to cheat Ugandans. The president and several government reports such as one by Gen. Salim Saleh have indicated that UMEME connived with officials from the Ministry of Energy to inflate power losses to cheat Ugandans. What is the penalty for electricity companies that cheat Ugandans?

(d) **Further, in relation to clause 20, the bill fails** to provide for ways in which suspected electricity thieves will attain access to justice. In criminal cases where the punishments are heavy, suspects are entitled to a lawyer at the expense of the state. What will happen to suspects in electricity cases? It is notable that a jail term of ten years for those stealing power is provided for in the bill. If good lawyers aren’t provided for poor Ugandans found stealing electricity, it will be the poor suspects versus rich licensees. This will not promote justice and the poor will suffer.

(e) **Clause 22** on the membership of the Electricity Disputes Tribunal does not define the qualifications of the tribunal members. With the high corruption rates in Uganda, the appointing authority may appoint unqualified persons to the tribunal.

(f) **Clause 29** states that “no action, suit, prosecution or any other proceeding may be brought or instituted personally against a person who is or was a member of the tribunal or employee of tribunal in respect of any act done or omitted to be done in good faith in the discharge of any function under this Act.” However, the clause does not define what good faith is.

The clause also does not clarify on what bad faith is. The clause could encourage impunity within the tribunal as the tribunal members could make calculated mistakes...
and hide behind this immunity.

(g) Clause 30 on procedures for dealing with complaints from consumers fails to provide that licensees will establish grievance-handling committees on which power consumers will be represented to ensure fairness. Instead, the clause requires the licensees to put in place complaints-handling procedures that are to be approved by ERA. It would be good for consumers to be represented in any complaints-handling mechanisms.

(h) Clause 31 of the bill does not specify the timeframe within which regulations on safety standards, tariffs, licensing and others will be put in place by ERA in consultation with the Minister of Energy. It also does not require ERA and the minister to consult the public in the process of making the regulations.

(i) The bill is also silent about the constant electrocution of citizens and damage to property.

RECOMMENDATIONS
In light of the above, Ugandans should demand that the president does not assent to the bill.

The president should ask parliament to review the bill and include the following:

(i) The bill should provide that the finances to be used by ERA will be approved by parliament to enable oversight over the regulator.

(ii) In addition, the timeframe within which regulations for the bill should be developed by ERA in consultation with the Minister of Energy should be stated in the bill. The minister must ensure stakeholder consultations in the process of formulating the regulations.

(iii) Further, the bill should include a clause to provide that processes related to the signing of Power Purchase Agreements (PPAs), supply licenses, and other electricity contractual documents shall be open to prevent corruption that leads to high power costs.

(iv) The bill should also provide for the penalties that Ugandan government officials and licensees who connive to sign bad PPAs that favour licensees over Ugandans will face. Cancellation of licenses and dismissal from government jobs should be provided.

(v) In addition, the bill should provide that any person convicted of stealing power shall face imprisonment for a term not less than two years or a fine of not less than one thousand currency points or both.

(vi) The bill should provide that the chairperson of the tribunal should be at the level of a High Court judge and the secretary at the level of a Grade One magistrate. The bill should also define what good and bad faith are.

(vii) Finally, the bill should include a clause providing that a licensee must compensate any person who suffers electrocution and property damage due to power faults including power surges, faulty meters and wires, among others.

By CEO and Partners
COURT HEARS CASE FOR CANCELLATION OF TILENGA ENVIRONMENTAL IMPACT ASSESSMENT CERTIFICATE OF APPROVAL

On April 13, 2022, AFIEGO supported its legal team and CSO partners to participate in hearing of the case seeking cancellation of the Tilenga Environmental Impact Assessment (EIA) certificate of approval. The case was heard at the High Court in Kampala.

During the hearing, court heard an application in which the Environmental Law Alliance Worldwide-USA wants to provide expertise to guide court to make a fair decision in the case.

Court committed to rule on the above application in April.

AFIEGO MEETS IGEN-EA PARTNERS TO DISCUSS PROMOTING CLEAN RENEWABLE ENERGY


UNREEEA is a member of the Inclusive Green Economy Network-East Africa (IGEN-EA), which is hosted by AFIEGO.

The meeting discussed the electricity sector challenges that citizens face and how these can be addressed.

The meeting also discussed the production of a research paper aimed at promoting renewable energy.

AFIEGO ENGAGES AFRICAN CSOS ON THE NEED TO PROMOTE GREEN ECONOMIC ACTIVITIES

On April 22, 2022, AFIEGO joined other African CSOs to discuss the impacts oil-producing communities especially women in Africa face.

AFIEGO discussed the green economic alternatives that can be promoted in Uganda.
Between April 20 and 21, 2022, AFIEGO and our partners under the Green Livelihoods Alliance (GLA) 2.0 partnership participated in a two-day reflection workshop.

We discussed the achievements and challenges related to the protection of forest landscapes that the GLA 2.0 Uganda partners faced in 2021. The meeting took place in Kampala.

In April 2022, AFIEGO organised safety capacity building trainings for its staff members in Kampala.

The objective of the safety trainings was to equip staff with skills and knowledge on working in a repressed civic environment.

On April 21, 2022, AFIEGO participated in the European people’s annual general meeting.

During the meeting, AFIEGO presented on the social and other impacts of oil projects in Uganda.
In April 2022, AFIEGO and our partners wrote a letter to the Italian and German Export Credit Agencies (ECAs) raising concerns over the EACOP project.

In addition, we supported the EACOP-affected people from Kyotera district to write to TotalEnergies and their district leaders to address their compensation grievances.

Furthermore, with our partners, we issued a press statement prior to the Tilenga EIA certificate court case hearing.
In the media

This month, AFIEGO staff, research associates and youth champions wrote over 14 newspaper articles that were published in the leading newspapers. The media also published articles from the media interviews we held this month. Some of the published articles are captured below.

Why Electricity Bill 2022 may not address Uganda’s power challenges

Patrick Egedema

The Electricity Bill 2022 has been met with mixed reactions. Some believe it will address the power challenges in Uganda. However, others are skeptical as they point out that the bill does not address the root cause of the electricity crisis.

The bill was introduced to create a more stable and reliable power sector in Uganda. However, it has been criticized for being too lenient on the power companies.

On the other hand, some believe that the bill will benefit the power sector. They argue that it will help to increase the supply of electricity and reduce the cost of power.

Editor’s note: The AFIEGO team has been writing articles on the local government’s efforts to address the power crisis in Uganda. The team has been working with the Ministry of Energy and Natural Resources to develop a sustainable solution to the crisis.

Oil Exploration shouldn’t ruin nature

Nurturing a relationship with nature is crucial to our existence. However, the oil exploration activities in Uganda have raised concerns.

The drilling activities are expected to create jobs and boost the economy. However, they have also raised concerns about the impact on the environment and the wildlife.

The Ministry of Energy and Natural Resources is working with the local communities to mitigate the impact of the drilling activities. They have also introduced measures to protect the wildlife and the environment.

Editor’s note: The Ministry of Energy and Natural Resources is working with the local communities to mitigate the impact of the drilling activities. They have also introduced measures to protect the wildlife and the environment.

Open Bugoma forest boundaries, so we can use our land

The Bugoma forest is one of the largest forested areas in Uganda. However, its boundaries have been closed for decades.

Many people have been calling for the opening of the forest boundaries so that they can use the land. The government has been reluctant to open the boundaries.

Editor’s note: The government has been reluctant to open the boundaries because they believe it will lead to deforestation and loss of biodiversity. They also argue that it will lead to an increase in crime and illegal activities.

Become an FT subscriber to read:

The oil giants drilling among the giraffes in Uganda

Kates Paull is a research associate at Africa Institute for Energy Governance (AFIEGO)

Editor’s note: The AFIEGO team has been writing articles on the oil drilling activities in Uganda. They have been working with the Ministry of Energy and Natural Resources to develop a sustainable solution to the crisis.

Sensitise oil-affected persons on how to use compensation

The oil drilling activities have affected many people in the affected areas. Many of them have been left without compensation.

The government has introduced measures to compensate the affected people. However, many of them have not been aware of these measures.

Editor’s note: The government has introduced measures to compensate the affected people. However, many of them have not been aware of these measures. The AFIEGO team has been working with the local communities to sensitize them on how to use the compensation.
About Africa Institute for Energy Governance (AFIEGO)

AFIEGO is a non-profit company limited by guarantee that was incorporated under Uganda’s Companies Act. AFIEGO undertakes public policy research and advocacy to influence energy policies to benefit the poor and vulnerable. Based in Kampala-Uganda, the non-profit company was born out of the need to contribute to efforts to turn Africa’s clean energy potential into reality and to ensure that the common man and woman benefits from this energy boom. Through lobbying, research and community education, AFIEGO works with communities and leaders to ensure that clean energy resources are utilised in a way that promotes equitable development, environmental conservation and respect for human rights.

Our Vision
A society that equitably uses clean energy resources for socio-economic development

Our Mission
To promote energy policies that benefit poor and vulnerable communities

Upcoming events

May 2, 2022; Kikuube: Engagement with Bugoma forest host communities on delayed Bugoma forest boundary opening and community evictions

May 4, 2022; Kampala: Meeting with the EU on natural resources management and governance in Uganda

May 6, 2022; Kasese: Seminar to empower women and youth to promote clean energy policies

May 9, 2022; Hoima: Radio talkshow on gaps in the National Environment (Environmental and Social Assessment) regulations

May 10-20, 2022; Bunyoro and Greater Masaka: Community sensitisation meetings on gaps in Uganda’s land laws

May 23, 2022; Kampala: Support communities to engage the Ministry of Lands to put in place an amended Land Acquisition Act

May 24, 2022; Masindi: Hearing of the refinery-affected people’s court case

May 31, 2022; Kampala: Cross-border media training on green economic alternatives in East Africa