

## AFIEGO's Weekly Energy News Roundup; February 10-14, 2020

### Government insists on dam at Murchison Falls site

Members of Parliament yesterday demanded to know why government is insisting to conduct a feasibility study to justify construction of a controversial hydropower dam at Murchison Falls National Park in the face of opposition from key stakeholders.

Bukoto East MP Florence Namayanja asked: "National Environment Management Authority (Nema), Uganda Wildlife Authority (UWA), Uganda Tourism Board (UTB) and Directorate of Water Resources Management have all rejected your proposal. It went to Cabinet [and] it was rejected. The project is for Ugandans. It has been rejected, clarify why you are insisting that you must do it. How are we sure you are not hiding behind Uhuru to tamper with Murchison? Uhuru is 600 metres away from Murchison Falls."

In his presentation, Mr D'Ujanga said government signed a memorandum of understanding with Bonang Energy and Power Ltd from South Africa on December 12, 2017, to do the study.

The company then applied for a permit with Electricity Regulatory Authority (ERA) to carry out the study to guide their decision on the development of the proposed Uhuru hydropower project.

The committee chairperson, Dr Keefa Kiwanuka, asked whether the minister knew anything about Bonang company, which had expressed interest to do the feasibility study and construct the dam to which the latter denied. [Read more](#)

### Lawyers criticise Murchison Falls park give-away

Lawyers have questioned the government decision to consider giving away Murchison Falls National Game Park for construction of a hydro-power dam and warned that it would lead to violation of peoples' rights and environmental degradation.

Under their umbrella Uganda Law Society (ULS), the lawyers argued that the development is marred by irregularities and violations which would cost the economy.

"The people doing due diligence by way of impact assessment are the very people who want to construct the dam. We thank the government for the energy but while we need development, it should not come at the expense of our environment and livelihood," Mr Simon Peter Kinobe, the ULS president, said.

[Read more](#)

### Locusts, climate change & oil exploitation

On Sunday, February 9, 2020, media reports indicated that Uganda had been invaded by locusts. That same day, the 33rd African Union (AU) Heads of State and Government Assembly commenced in Addis Ababa, Ethiopia.

The two-day meeting was held under the theme: Silencing the guns: Creating conducive conditions for Africa's Development. As the leaders deliberated on topics such as conflicts in the Sahel region, sustainable funding of Africa's development agenda and others, scores of Ugandans panicked over the locust invasion.

At the meeting, the AU Heads of State did not discuss how they in alliance with national and international agricultural, oil and other companies are contributing towards climate change and are exposing Africans to more potential locust invasions.

With the permission of African leaders, activities such as destruction of forests such as Bugoma in Uganda for sugarcane growing and exploitation of fossil fuels (oil, coal and gas) including in eco-sensitive areas such as national parks, lakes, rivers and forests in Uganda, Tanzania and Nigeria among others are ongoing in Africa today.

Yet climate change is part of the reason that Uganda, Kenya and other Eastern African countries are in the predicament they are in today. [Read More](#)

## Will Uganda's 600MW Karuma hydropower dam produce cheap electricity?

Recently, the Chinese firm Sinohydro and government held a meeting in which they failed to agree on over the Shs 615 billion that the contractor was asking for to complete the 600mw Karuma hydropower project. The initial cost of the Karuma dam project was \$ 1.7 billion.

Completion of the dam has also been delayed twice with the construction period going from the original planned 5 years to now over 7 years. Indeed, the revelations about Karuma commissioning being delayed raise fresh questions about the manner in which Sinohydro was awarded the project. In what has become a common practice for Uganda, the award of the tender for the construction of Karuma dam to Sinohydro did not follow rules of transparency based on open and competitive bidding.

Uganda needs to learn from its past history during the construction of the just concluded \$250mw Bujagali dam. As you may remember, the Bujagali dam faced transparency and other challenges similar to the ones undermining the Karuma today. This increased the Bujagali project financing and construction costs from \$580 million at inception to \$860 million and finally \$902 million (\$3.6 million per megawatt) at completion- this unit cost that is still the most expensive in the world. A kilo watt that was to be sold to Ugandans at USD cents 6 is now \$ cents 13, more than half of the original cost. So, this may also happen to Karuma.

[Read More: The East African, February 8-14 2020](#)

## Government loses billions on transmission projects-AG

The Auditor General has raised a red flag over the Uganda Electricity Transmission Company Ltd (UGCL) and revealed in a report that billions of shillings were lost in projects under it.

John Muwanga's report revealed that the funds were lost before and during the implementation of at least four electricity transmission projects. He said that the funds were lost due to delayed settlement, double compensation, low absorption of funds and disputes arising from disagreements over compensation values. Muwanga undertook a study to find out whether the land question and compensation of project affected persons had been done in a cost-effective, fair and timely manner.

The report also shows that a number of project-affected persons were paid twice for the same property. It indicates that the biggest loss of Shs. 42.9 b was occasioned by 37 legal suits arising out of delayed compensation despite the fact that government had released the money. Six years later, some of the persons affected by the project have still not been paid. [Read more in the New Vision, Monday February 10, 2020](#)

## Next week's upcoming events

**February 19, 2020; Buliisa, Nwoya and Hoima: Sensitisation radio talkshows on the Tilenga oil project's EIA certificate conditions**

**February 21, 2020; Kampala: Sixth court case hearing for the oil refinery-affected people**



**The oil refinery-affected people after a meeting in which AFIEGO and ORRA updated them about the case hearing next week**

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