



December 6, 2019

Eng. Ziria Tibalwa Waako,
Chief Executive Officer,
Electricity Regulatory Authority (ERA),
Kampala (U).



Dear Madam,

R.E: Request to avail us with information on Bonang Power and Energy (Pty) Ltd

On behalf of the undersigned signatories and on my own behalf, I take this opportunity to thank you for the work that the Electricity Regulatory Authority (ERA) is doing to regulate the electricity sector in an inclusive manner

ERA occasionally convenes public hearings and invites the public to comment on matters related to the energy sector. This is commendable.

In the spirit of inclusivity, transparency and accountability, ERA invited directly affected communities, directly affected government agencies and interested parties to make comments on an application by Bonang Power and Energy (Pty) Ltd to be granted a license to establish a 360MW hydropower plant at Murchison Falls. The invitation, which was dated June 7, 2019, was published the *New Vision* newspaper.

Following the invitation for comments, a public uproar over the proposed dam at Murchison Falls ensued.

Civil society organisations (CSOs), cultural institutions, communities, conservationists, tour operators and the general public demanded that the Murchison Falls do not be destroyed through allowing a hydropower dam to be constructed at the falls. The signatories to this letter also made their protestations to the proposed dam known through a letter that we wrote to ERA on June 17, 2019.

Following the public uproar, the Minister for Tourism, Hon. Ephraim Kamuntu, informed Ugandans that cabinet had agreed to stop the planned dam at Murchison Falls as it would affect the scenery, beauty and the falls. This was in August 2019.

However, in November 2019, cabinet approved a feasibility study to be undertaken for development of a dam at the Uhuru Falls, which are located near Murchison Falls. A dam at Uhuru Falls would affect Murchison Falls.

After the cabinet approval, on Tuesday December 3, 2019, the Minister for Energy, Hon. Irene Muloni, informed Ugandans during a media briefing in Kampala that a memorandum of understanding had been signed with Bonang.

The minister said that Bonang, a South African company, would undertake a detailed feasibility study to establish whether a hydropower dam at Uhuru Falls in Murchison Falls National Park and tourism can co-exist.

OUR REQUEST

In view of the above, we hereby write to you in accordance with Article 41 of the 1995 Uganda Constitution to:

- **Request ERA to avail us with a profile indicating Bonang’s technical and financial expertise to conduct the feasibility study and;**
- **Request you to inform us how ERA and government selected Bonang to undertake the feasibility study for a dam at Uhuru Falls.**

Our requests are made in light of the fact that our investigations on Bonang Power and Energy (Pty) Ltd led us to believe that the company lacks the technical and financial track record needed to undertake a feasibility study and develop a dam in an environmental and human rights-compatible manner.

We cannot let a company whose track record on construction of hydropower dams is unclear to touch the iconic Murchison Falls, which are visited by over 30% of the 100,000 tourists that visit Murchison Falls National Park.

WHO IS BONANG?

Our investigations showed the following about Bonang Power and Energy (Pty) Ltd:

- The company was founded on January 16, 2014 with a registration number of 2014/008439/07.
- The company’s director is Mr. Ernest Moloi.
- The company was deregistered on April 11, 2016 due to failure to file annual returns.
- The company was thereafter re-registered on December 5, 2017.
- It filed annual returns on June 26, 2019.

A search of the company's physical location reveals little to nothing. Before the company's website was pulled down from the web (See <https://www.bonangpower.co.za/our-partners>), the company's listed physical address on its website was 195 Jan Smuts Avenue, Randburg, 2196 in South Africa. A search for this address led one to The Business Exchange, Rosebank – a commercial property that also offers co-working and virtual office space.

Surely, a company that seems to have no office of its own, lacks a web presence, lacks clear information on what hydropower projects it has undertaken cannot be trusted with one of Uganda's most prized tourist attractions, the Murchison and Uhuru Falls.

An investigation of the hydropower works that Bonang Power and Energy Ltd has undertaken reveals unconvincing results. On its website before it was pulled down, the company listed hydropower projects that were ongoing in Africa.

However, the company's linkage to those hydropower works was unclear as the company was not mentioned among the dams' developers.

DO DUE DILLIGENCE ON BONANG

The signatories to this letter suspect that Bonang is a front for corrupt Ugandan officials and unless ERA, which is Uganda's only mandated energy sector regulator, undertakes due diligence and informs Ugandans about Bonang's technical and financial capacity, the Murchison and Uhuru falls will be destroyed.

This will hurt tourism, which is one of Uganda's biggest foreign exchange earners. The sector earned the country \$1.6 billion in the 2018/2019.

The signatories to this letter also wish to remind you that failure to exercise due diligence by government has previously cost taxpayers huge amounts of money. For instance, Uganda lost over Shs. 24 billion to Eutaw Construction Company Inc., a fictitious branch of a US firm, in the infamous Mukono-Katosi road scandal.

Among others, influence peddling by the former Minister for Works and Transport, Abraham Byandala, resulted in the loss.

It is also common knowledge that the country lost about Shs. 4.7 billion in the bicycle scam when a sham company, Amman Industrial Tool and Equipment (AITE), was procured to deliver 70,000 bicycles for local council one (L.C.1) chairpersons. To date, no bicycles have been delivered yet taxpayers' money was paid for them.

AVOID RISKS

To avoid risks of Ugandans losing their much-needed money to briefcase companies that work with government officials to defraud the state, we request that you investigate and profile Bonang's technical and financial capacity.

We request you to avail the above information on the company with us. In addition, we reiterate our call to government, through you, to avoid conducting a feasibility study and developing a dam at the Murchison or Uhuru Falls.

We thank you in advance for your co-operation.

Yours faithfully,

Yoram Banyenzaki,

Chairperson, Guild Presidents' Forum on Governance (GPF OG)

gpfoguganda@gmail.com

SIGNATORIES:

1. Guild Presidents' Forum on Governance (GPF OG);
2. Citizens Concern Africa (CICOA);
3. Action Coalition on Climate Change (ACCC);
4. South Western Institute for Policy and Advocacy (SOWIPA);
5. World Voices Uganda (WVU);
6. Oil Refinery Residents Association (ORRA);
7. Africa Institute for Energy Governance (AFIEGO)
8. Great Lakes Institute for Strategic Studies (GLISS)
9. Centre for Constitutional Governance (CCG)
10. Twimukye Womens Organisation
11. Graffen Organisation –Butimba
12. Youth Action for Environment -Kiryandongo
13. Center for Energy Governance
14. African Initiative on Food security and Environment
15. Water and Electricity Consumers' Association

CC:

- The President, Republic of Uganda
- The Speaker of parliament
- The Minister of Energy and Mineral Development
- The Chairperson, Natural Resources Committee of Parliament

- The Chairperson, Parliamentary Public Accounts Committee
- The Inspector General of Government (IGG)
- The Executive Director, The Public Procurement and Disposal of Assets Authority (PPDA)
- State House Anti-Corruption Unit
- The Executive Director, Uganda Wildlife Authority