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150 DAYS OF UEDCL: UGANDA'S ELECTRICITY REFORM FAILURES & THEIR IMPLICATIONS ON THE ENERGY TRANSITION



A group photo of energy sector stakeholders at the handover of Uganda's electricity distribution network to UEDCL

Photo credit: Isaac Kasamani, *Daily Monitor*

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Dear reader, welcome to AFIEGO's August 2025 newsletter.

This month, as in previous months, Ugandans suffered one power outage after another since the Uganda Electricity Distribution Company Limited (UEDCL) took over the country's power distribution network.

The power outages were also a challenge during the period of March 2005 to March 2025 in which UMEME distributed power in the country.

UMEME's electricity distribution tenure was marked by challenges such as limited energy access, unreliable power supply and expensive power. These challenges continue under UEDCL.

In this newsletter therefore, we reflect on Uganda's electricity reforms that officially commenced in 1999 when the current Electricity Act was enacted. We also highlight some of the reform's failures and their impacts on citizens.

It should be remembered that UEDCL was established over 25 years ago as part of the above reforms. The main objective of the reforms was to open up the electricity sector as a means to attract private investments in the hope that this would introduce competition and improve efficiency (in generation,

transmission, distribution, and regulation).

At the time, government marketed the reforms, and citizens embraced them, as a sure way to make electricity accessible, affordable, and reliable. Ugandans were promised that the reforms would address the endless problems of low access, power outages, high tariffs, loadshedding, power losses, lack of capital to invest in generation and distribution, monopoly in the sector, and others.

Today, as we mark over 150 days of UMEME's exit and UEDCL's takeover of Uganda's electricity distribution network, it is necessary to reflect on the various reforms implemented since 1999 and highlight the impacts of those reforms on the lives of citizens and the country's development policies, including the Energy Transition Plan (ETP) of 2022.

Under the 1999 Electricity Act, government, supported by many development partners, designed and implemented many reforms including formulation of the 2002 National Energy Policy, Rural Electrification Policy, Renewable Energy Policy, plus the establishment of the Electricity Regulatory Authority (ERA) as the sole regulator of the electricity sector in the country. Further, three electricity companies were incorporated, namely Uganda Electricity

Generation Company Limited (UEGCL), Uganda Transmission Company Limited (UETCL), and UEDCL. The Rural Electrification Agency (REA) was also put in place.

The above policy reforms were followed by several projects as part of those reforms, including upgrading Owen Falls dam from 60MW to 180MW, constructing new dams including Kiira Dam (200MW), Bujagali Dam (250MW), Isimba Dam (183MW), Karuma Dam (600MW), and others. These dams increased the country's generation capacity to over 1,800MW.

Sadly, apart from Bujagali, where private investors brought their own money and built the dam, by and large, the reforms failed to attract any private capital. Indeed, after many years of implementing the reforms, the government of Uganda had to borrow over USD2 billion and hand it over to private Chinese companies to build Isimba and Karuma dams. These and other reform failures have contributed to the national debt of over USD 46.8 billion, with environmental, social, and economic impacts on the citizens.

More so, the reforms have miserably failed to eliminate

the problems of energy poverty, high tariffs, power outages, power losses, vandalism, corruption, and others.

Many questions remain. How does UEDCL plan to address the country's many electricity distribution problems? What is UEDCL's preparedness to support government's plan on energy transition?

In our **Word from CEO**, we highlight the failures of UEDCL in the first 150 days of Umeme's exit and make recommendations to address those failures.

In the **pictorial** section, we share photos of some of the activities that AFIEGO and our partners implemented this month (August 2025).

In the **lobbying** section, we share some of the advocacy products that we produced and disseminated in August 2025.

Finally, in **in the media** section, we bring you some of the newspaper articles written by our staff and partners that were published in the leading newspapers in August 2025.

We hope you enjoy the newsletter.

Editorial team:

Jane Apio

Diana Nabiruma

Rachel Amongin

UEDCL'S DANCE WITH DARKNESS: OVER USD 250 MILLION BORROWED & INVESTED BUT WILL THE COMPANY DELIVER?

On July 23, 2025, I attended the Makerere Economic Policy Research Center's (EPRC) launch of its Uganda Business Climate Index report for the second half of the year.

The launch took place at Sheraton Hotel in Kampala.

Among other challenges, the report indicated that since April 1, 2025 when UEDCL took over the electricity distributorship role from UMEME, over 70% of businesses in Uganda have been negatively affected by power outages and other energy costs due to unreliable electricity.

The Managing Director of UEDCL, Mr. Paul Mwesigwa, attended the above launch. He made a presentation highlighting the work and achievements of UEDCL since its takeover from UMEME.

Among others, Mr. Mwesigwa indicated that UEDCL, a wholly government-owned company established in early 2000, had borrowed over USD 50 million (approximately UGX 174.6 billion) from Absa Bank to invest in the distribution network.

He further indicated that UEDCL needs over USD 200 million (approximately UGX 698.32 billion) in the next nine months to address the gaps left by UMEME.

Mr. Mwesigwa assured the over 200 participants at the launch that once UEDCL gets the required money, all electricity distribution problems will cease.

It will be recalled that a few days before the exit of UMEME, government borrowed over UGX 700 billion (approximately USD 200.48 million) from Stanbic Bank and gave this money to UEDCL to enable it to take over from UMEME.

While five months may be a short time to judge the capacity of UEDCL to deliver, the revelations and promises by UEDCL should make Ugandans reflect on the many previous electricity reforms that have failed to benefit citizens.

FAILED REFORMS?

First of all, the enactment of the 1999 Electricity Act and the formulation of the 2002 National Energy Policy and other related policies failed to ensure effective and independent planning and regulation of the electricity sector.

Instead, these reforms allowed corrupt companies and officials to take control of the country's electricity sector.

Also, the above ineffective policy reforms explain why institutions like UEGCL and UEDCL, which were

created by the government over 20 years ago, are struggling to deliver affordable and reliable power to Ugandans.

Companies such as UEGCL have failed to ensure that investments in generation, including the Karuma and Isimba dams, where private companies are using government loans, bring returns on investment and benefit citizens.

Instead, the above weak institutions are destroying the electricity sector by allowing defective and expensive dams in the country.

Ugandans must also recall that Bujagali dam was one of the first reform projects that cost Ugandans over UGX 473.76 billion (approximately USD 135.69 million) in tax waivers between 2019/2020 and 2023/2024.

The dam is still enjoying tax breaks, which are expected to end in 2032.

It is worth recalling that Ugandans were promised that upon completion, Bujagali dam would make electricity tariffs affordable for all to improve their lives.

Sadly, since its commissioning in 2012, electricity tariffs have continued to increase, and the dam remains one of the most expensive, providing electricity at

over 8 US cents per unit.

How does UEDCL plan to distribute electricity from such a dam to improve the lives of Ugandans and support the government's policy on energy transition?

On the other hand, while the investments in Isimba and Karuma dams remain one of the biggest electricity reforms in Uganda, there is no return on investment.

While the 1999 Electricity Act liberalised the country's electricity sector to attract private capital and allow competition and efficiency, the mismanagement of the Bujagali dam project only succeeded in scaring away investors and private capital.

This is why in 2012, the government borrowed over USD 2.3 billion and handed it over to two private Chinese companies to build Karuma and Isimba dams.

Why didn't government give the above money to UEGCL to build the dams? In the end, Karuma dam's commissioning was delayed for over five years, while Isimba dam was commissioned with terrible defects.

What is the cost of those delays and defects? How does UEDCL plan to address the above electricity failures to eliminate electricity challenges such as energy poverty, low access, high tariffs, outages, loadshedding,

power losses, vandalism, worsening national debt, and others?

Other electricity sector initiatives that have performed below set targets include the 2018 to 2027 “Free” Electricity Connections Policy that was supposed to ensure that 300,000 Ugandans gain access to power every year.

The policy was bedeviled by challenges such as UMEME temporarily pulling out of implementation of the policy due to lack of finances, government stopping implementation of the policy due to lack of finances, failure to connect citizens who paid the required fee of Shs. 20,000 and others.

Recommendations

Other electricity sector challenges exist. The following should therefore be done by UEDCL and government to make electricity reforms work for the people:

- i. Government should critically assess the capacity of UEDCL and UEGCL** to manage the huge investments in distribution and generation, respectively, with a view to improving their capacity and efficiency.
- ii. Further, government should encourage UEDCL to avoid**

commercial loans and instead seek concessional financing to limit chances of increasing the cost of electricity.

iii. In addition, government should empower the Electricity Regulatory Authority (ERA) to ensure independent regulation of the country's electricity sector.

ERA should be given powers to fight against corruption and punish inefficiency.

iv. Further, government should investigate those that caused delay of commissioning of Karuma dam and the cause of defects of the Isimba dam with a view of prosecuting and punishing those found culpable.

v. In addition, no government funds, whether loans or from the consolidated fund, should be given to private companies to build dams and implement other electricity projects.

In line with the spirit of the electricity sector reforms, private companies should bring their own capital as a commitment to ensure effective projects for the country.

vi. Finally, government should prioritise providing off-grid solar and other renewables to citizens. Grid electricity is expensive and will continue to fail electricity reforms in Uganda.

By CEO

Pictorial of our activities

AFIEGO SUPPORTS GREATER MASAKA EACOP-AFFECTED PERSONS TO ATTEND COURT HEARING



On August 18, 2025, AFIEGO supported EACOP-affected persons from the Greater Masaka sub-region to travel to Masaka High Court.

The people filed two cases in December 2024 with AFIEGO's support. The cases were supposed to be heard on August 18, 2025.

Through the cases, the people sought an interim and temporary/main stay of execution of eviction and demolition orders given to government against the people by the Masaka High Court.

The orders were given to government in October 2024. The cases filed by the people were not heard however due to a missing file.

AFIEGO AND IGEN-EA DISSEMINATE RESEARCH FINDINGS ON KEY SITES' TOURISM POTENTIAL



On August 22, 2025, AFIEGO in collaboration with the Inclusive Green Economy Network-East Africa (IGEN-EA) held a workshop in Kampala.

During the workshop, IGEN-EA members from the tourism working group shared research findings from studies undertaken by IGEN-EA that assessed the tourism potential of Bugoma Forest and Greater Masaka vis-à-vis EACOP project risks.

Some of the participants at the workshop resolved to issue a communique advocating for prioritisation of tourism over oil and gas as well as sugarcane growing risks.

AFIEGO DISCUSSES TOURISM STAKEHOLDERS' ATTITUDES TO OIL INDUSTRY WITH KEY STAKEHOLDERS



On August 22, 2025, AFIEGO shared findings from a community-based research brief on the attitudes and perceptions that Uganda's tourism stakeholders have towards the country's oil and gas industry.

The community-based research brief was produced by AFIEGO in July 2025.

The findings from the research brief were shared with over 36 tourism sector stakeholders including district leaders, private sector players, women and youth among others during a research dissemination workshop in Kampala.

The workshop enhanced stakeholder awareness.

AFIEGO AND OILWATCH AFRICA ORGANISE DEBT CANCELLATION AND CLIMATE JUSTICE CONFERENCE



On August 25, 2025, AFIEGO in partnership with OilWatch Africa organised a conference under the theme, "From Exploitation to Restoration".

The conference, which took place in Kampala, discussed climate justice, debt cancellation, and reparations for Africa.

The participants at the conference included climate activists, environmental rights defenders, and others from various African countries affected by oil exploitation including Uganda, DR Congo, Mali, Togo, South Africa, Namibia, Mozambique, Chad, Tanzania, Ghana and Nigeria.

The conference aided solidarity building and learning.

FISHERFOLK DISCUSS OIL-INDUCED CHALLENGES DURING FISHNET ALLIANCE ANNUAL GENERAL MEETING



On August 28, 2025, AFIEGO and our partners under the FishNet Alliance held a meeting for oil-affected fisherfolk from across Africa.

The meeting took place in Uganda and it discussed the challenges that oil-affected fisherfolk are facing.

The FishNet Alliance was able to recruit new members.

The participants at the meeting also resolved to issue a declaration calling for addressing of the oil-induced challenges that they are faced with.

AFIEGO AND PARTNERS DOCUMENT JUST ENERGY TRANSITION PROJECT SUCCESSES AND CHALLENGES



On August 13, 2025, AFIEGO organised a meeting with our partners that are implementing the Just Energy Transition (JET) thematic programme under the Green Livelihoods Alliance (GLA).

During the meeting, AFIEGO and our partners discussed the key work and achievements we have registered under the programme since 2020.

We also discussed the challenges faced in implementing the programme, whose implementation will end this year. The reflection exercise supported efforts to document the project's successes and challenges to aid learning.

Lobbying

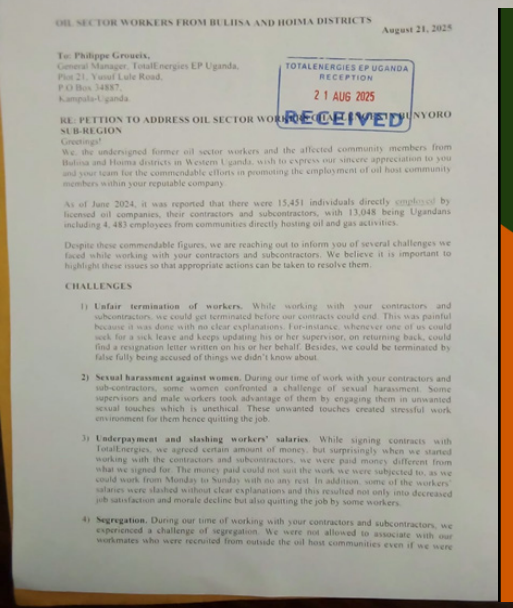
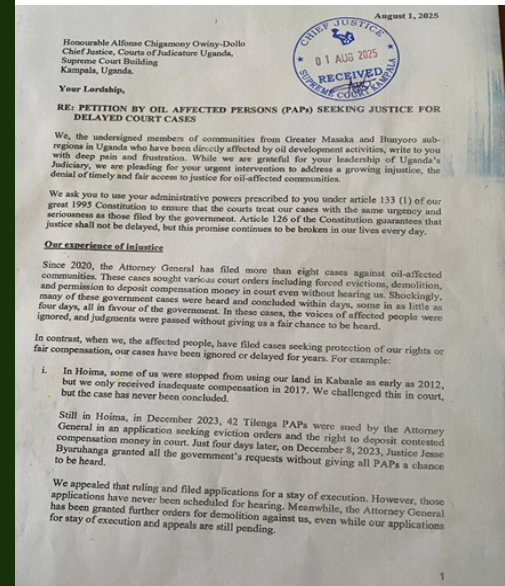
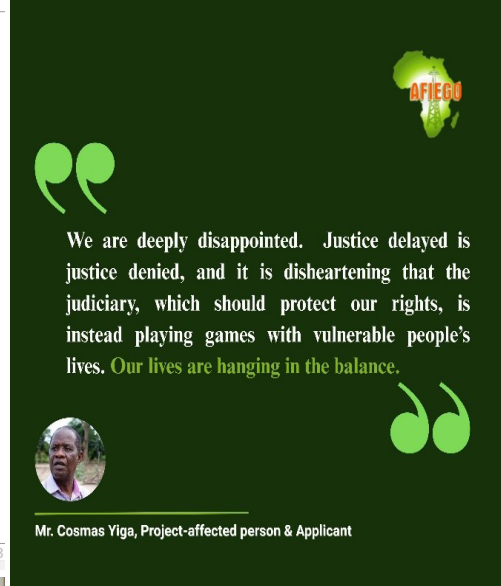
In August 2025, AFIEGO supported oil project-affected persons (PAPs) to petition the Chief Justice seeking expedition of hearing of their cases. AFIEGO is supporting the affected people to prosecute several land rights and others cases, whose hearing has delayed.

Further, AFIEGO supported aggrieved oil sector workers to petition TotalEnergies seeking redress for the challenges that they are faced with.

In addition, AFIEGO worked alongside EACOP-affected people to issue press statements ahead of hearing of the affected people's cases in August 2025 and following failure of the hearings to take off. AFIEGO also supported the people to issue press statements after they were sued by government, which sought eviction and demolition orders against them.

In August 2025, AFIEGO also supported youth to hold a social media storm to highlight findings from AFIEGO's community-based research brief on the attitudes Uganda's tourism stakeholders have towards the oil and gas industry.

Some of the above and other advocacy materials are captured below.



In August 2025, AFIEGO staff and research associates wrote newspaper articles that were published in the leading newspapers. AFIEGO also undertook media engagements that resulted in the production of media stories. Some of the published media stories are captured below.

DAILY MONITOR, FRIDAY, AUGUST 8, 2025
www.monitor.co.ug

LETTER OF THE DAY

Why Uganda's communities must not be sacrificed for the green transition

As the world moves toward a future driven by clean energy and advanced technology, a new scramble is taking place. This time, it's not for oil or diamonds, but for "critical minerals" like cobalt, lithium, rare earths, and graphite. These are the metals that power electric cars, wind turbines, smartphones, and even modern defence systems. And Uganda, often overlooked in the mineral conversation, is now firmly in the spotlight.

But behind the global excitement lies a warning: communities living on mineral-rich land risk being sacrificed in the name of climate action and economic progress. Labeling minerals as "critical" may help justify investment and urgency but it also risks justifying injustice. Consider the case of Maliru in eastern Uganda, where rare earth elements have been found, metals that are essential for green technologies and modern electronics.

A company is already preparing for large-scale extraction. However, few Ugandans are aware of how this deal was negotiated, and even fewer residents in the area have been properly consulted.

The local communities are worried about land access, water safety and long-term benefits, but these concerns are mostly overlooked by promises of national economic growth.

Meanwhile, the story of Kileleshwa Mines in western Uganda offers a sobering reminder of what mineral exploitation without accountability can look like. Once a thriving copper mining hub, Kileleshwa attracted thousands of workers and powered local development during its peak. But when operations halted in the 1980s, the town was left with contaminated water, rusting infrastructure, and economic collapse.

Efforts to revive the mines, including recent interest in cobalt, a now highly "critical" mineral, raise serious questions: Will the people of Kileleshwa benefit this time? Or will history repeat itself?

This isn't just about a few bad deals. It is about a dangerous narrative. The term "critical minerals" is used by powerful countries and corporations, implies that extraction must happen quickly and at all costs.

And because these minerals are essential for green energy and high-tech economies, environmental and human rights safeguards are often treated as obstacles to be waived or minimized. But we must ask critical questions: for whom, and at what cost?

Communities in Uganda, especially those in mineral-rich and historically marginalised regions, are at risk of being pushed aside by both government ambitions and foreign investor agendas. Environmental and social impact assessments

What needs to change? Community consent must be genuine and enforced. The principle of Free, Prior and Informed Consent (FPIC) must be a legal and practical reality, not a box-ticking exercise. Transparency in contracts and benefit-sharing. Communities must know who is mining what, on what terms, and how the benefits will be shared. This includes royalties, infrastructure development, and local employment guarantees. Uganda and its neighbours should not allow competition for foreign investment to weaken protections. We need a regional framework that sets a floor for environmental and social protection, not a race to the bottom.

Value addition and local ownership. Uganda should not simply be a supplier of raw materials. Investments in processing and technology transfer are essential if minerals are to lead to long-term development.

Companies operating in Uganda must be held to international human rights and environmental standards and should be legally accountable where they violate them. Africa has long been treated as a warehouse of resources for others' gain. The green transition must not become another chapter in that exploitation, especially not under the banner of "urgency".

Critical minerals may indeed be necessary for a cleaner world, but so is the dignity and well-being of the people who live on the land where these minerals are located.

June Sheila Apio,
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Address the persistent issue of power outages

On August 1, the Minister for Energy and Mineral Development, Ms Ruth Nankabirwa, together with other sector officials and partners commissioned the Nyagak III hydropower plant. The 6.6-megawatt plant was launched in Zombo District, West Nile, raising the region's generation capacity to 8.9 megawatts. Furthermore, in July, the Uganda Electricity Distribution Company Limited (UEDCL) announced that they were embarking on a programme to connect 900,000 households country-wide to the national power grid free of charge. This was announced following the signing of two agreements between the company and the Ministry of Energy and Mineral Development under the Electricity Scale-up Project (EASIP), a multi-component project supported by the World Bank.

These and many other recent developments show how much is being invested in Uganda's electricity sector. It is commendable, especially for the clean energy transition. However, reports such as the Uganda National Household Survey report 2024 state that only 23.3 percent of the population has access to electricity. Consistent power outages, among many other challenges, undermine functional access to electricity in Uganda. Ugandans are literally living in the dark. For individuals all over the country, complaint of persistent power outages. Businesses have also reported a rise in power disruptions.

A survey conducted by the Economic Policy Research Centre (EPRC) revealed that businesses reported an adverse effect on their operations due to increased power outages from April to June. Several people have also taken to social media to express their frustration over the consistent power outages. Some describe the situation as annoying, while others criticise the UMEME-UEDCL transition, describing it as the true definition of the devil you know being better than the angel you don't know.

Some have gone ahead to say under UMEME, power outages occurred maybe once every quarter and that now UEDCL cuts power nearly every 30 minutes. Another remarked that UEDCL is taking us back to the dark days of the 1990s. Others complain that even a drizzle is enough to cut off electricity. This is not a comparison of who does it better. They are examples that highlight the struggles of electricity consumers in Uganda. The very ones who use electricity in their day-to-day lives for cooking, studying, lighting, transport, powering their businesses and many others.

Important to note is that in the month of July alone, UEDCL publicly announced seven (7) planned power shutdowns in different locations within the country. These were always scheduled for 8am to 5pm, which are the typical productive hours for most Ugandans. For an institution that pledges to light up our world, what we have received instead is consistent power outages. Should we blame this on incompetence or unpreparedness for the transition? Continuing to channel resources into large power projects will only be meaningful if those who are already connected can actively use the electricity.

It is, therefore, crucial to first address the persistent issue of power outages before investing further in the sector. Ugandans deserve a power system that is stable. Reliable electricity is not a luxury but a necessity for health, education, and economic development, to mention but a few. I call upon the Ministry of Energy and UEDCL to ensure service improvements so that Ugandans enjoy tangible and timely benefits of these investments.

Vivian Ainebabazi,
AFIEGO

Climate change amplifies inequality for women

A recent Intergovernmental Panel on Climate Change (IPCC) special report notes that the current global warming is more likely to reach 30C by a 20th century scenario than the environmental.

This implies that the world will experience extreme temperature and rainfall averages, leading to prolonged and frequent periods of drought and floods.

These weather vagaries such as drought and flooding affect mostly women because of their roles in the household management as caregivers and providers of food and fuel, increasing their vulnerability to health issues, gender-based violence and reduced opportunities.

In many regions, women bear a disproportionate responsibility for securing food, water and fuel for their families. When these resources become scarce due to the changing climate, women must work hard and travel farther. This puts added pressure on girls who sometimes have to leave school to help their mothers manage the increased burden.

Due to gendered power inequalities, harmful social norms and social vulnerabilities in many settings, women are more likely than men to experience increases in violence or die during and in the aftermath of extreme weather events or climate-related effects. During the emergencies such as conflicts and disasters, women are at a high risk of GBV because of the crisis in the family as well as due to sudden breakdown of family and community structures arising from forced displacement.

As more data and research reveal the connections between gender, social equity and climate change, it is time to talk about how climate change impacts women and girls, why gender equity is key to global climate action and how we must support solutions for women by women because they bear a disproportionate burden due to their vulnerabilities stem from socio-economic factors such as poverty, societal norms and cultural responsibilities. Despite these challenges, women often encounter limited access to resources, opportunities and decision-making authority.

The Paris Agreement acknowledges the importance of gender equality and women's empowerment in the fight against climate change and to achieve the recommendations in this agreement, women have to be at the forefront.

Since women are often deeply connected to their communities and understand the local environmental challenges, it is crucial to engage them in climate solution decision-making to strengthen their resilience in order to help them reduce their vulnerability to climate change.

Olive Atuhairu, climate activist
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Empower Ugandan youth against climate change

EDITOR: Climate change is one of the most critical global challenges of our times. Recent events have demonstrated our growing vulnerability to climate change. Climate change impacts agriculture and food security. This issue is of immense importance for every Ugandan citizen. Hence it requires an initiative against it globally. Young people constitute a large part of our population and are particularly vulnerable to environmental risks associated with climate change for example, access to clean and safe drinking water. There are many changes they can bring about to save our country from disasters. Firstly, encourage the youth to plant more trees, spearhead horticulture practices in education institutions, recycle plastic waste and roll out awareness campaigns. Young people are well-placed to promote environmental awareness simply because they easily access information about the environment, having been exposed to more environmental education in schools. The participation of youth can be sought at levels and locations ranging from grass-roots activism and participation in conservation projects to policy-making bodies and non-governmental organisations.

Doreen Asasira

Upcoming events

September 4, 2025; Kampala: Support various stakeholders to petition UNESCO to engage government of Uganda to stop oil activities in Murchison Falls National Park

September 9, 2025; Kampala: Engage African banks to increase financial flows to green economic sectors

September 11, 2025; Kikuube: Support IGEN-EA to launch a clean energy hub to raise awareness and increase adoption of clean energy technologies

September 11, 2025; Hoima: Organise a radio talk show to publicise the clean energy hub

September 16, 2025; Bunyoro: Support Focus Group Discussions to assess compliance to the EACOP Livelihood Restoration Plan (LRP)

September 25-26, 2025; Greater Masaka: Support Focus Group Discussions to assess compliance to the EACOP Livelihood Restoration Plan (LRP)

September 30, 2025; Kampala: Support journalists' training on oil vis-à-vis economic arguments

About AFIEGO

Africa Institute for Energy Governance (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