

May 2026; Issue 5

UEDCL takeover: Why are electricity tariffs still high?



A UEDCL staff member installing an electricity metre
Photo credit: The Explorer

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Dear reader, when Uganda Electricity Distribution Company Limited (UEDCL) took over the electricity distributorship role from UMEME on March 31, 2025, hopeful words were shared.

Some members of the public described the change as 'a new era in power distributorship.' Others described the change as 'a significant shift'.

The Ugandan government branded the event as the 'big switch'.

UMEME had for long been blamed for key problems in Uganda's electricity sector. For instance, the country's president, H.E. Yoweri Kaguta Museveni, asserted that UMEME was responsible for the country's high power prices.

The assertions were based on a 2009 report authored by a committee led by Gen. Salim Saleh. The report by the Interim Review of Electricity Tariffs Committee **accused** UMEME of conniving with Ministry of Energy officials to inflate electricity losses to 38%.

The above saw UMEME earning **Shs. 425 billion**, recouped through tariffs, for four years leading up to 2009.

UMEME's high return on investment, which stood at **20%**, was also blamed for the enduring high power prices.

With UMEME no longer being a player in the electricity sector, it was expected that Ugandans would enjoy lower power tariffs. Are Ugandans enjoying such tariffs today? We discuss this in this newsletter.

In addition, during UMEME's tenure, the frequency of power outages and their duration were described as being **high**.

A study that assessed the frequency of power outages and their duration in 33 districts served by UMEME observed that some customers suffered nearly 300 incidences of power outages in 2021. In some districts, the duration of the outages was nearly 200 hours in 2021.

Have the frequency of power outages and their duration decreased under UEDCL?

In our **Word from CEO**, we assess UEDCL's performance over the past year with the company's performance as regards increasing power access (new connections) and increasing affordable as well as reliable power supply being evaluated. The company's success, or lack thereof, in decreasing power losses is also assessed. High power losses translate into high power tariffs for customers.

In this newsletter, we also bring you our **pictorial** section through which we share some of the key activities that AFIEGO and our partners implemented this month (May 2026).

In the **lobbying** section, we share some of the lobby and advocacy products that we as well as our partners produced and disseminated this month (May 2026).

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 May.

We also bring you some of the media stories that were published following AFIEGO's engagement of the media in May 2026.

We hope that you will enjoy the newsletter.

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CRUSHING HOPES: UEDCL'S TAKEOVER OF ELECTRICITY SECTOR YET TO DELIVER ACCESSIBLE, AFFORDABLE AND RELIABLE POWER

Hope! Many authors have shared quote-worthy quips about this word!

One of the most noteworthy is by the late Archbishop Desmond Tutu, who observed that "Hope is being able to see that there is light despite all of the darkness".

When UMEME presided over the electricity distribution sector in Uganda between 2005 and March 2025, the country suffered challenges including limited citizen access to electricity, high power tariffs and high frequencies of power outages among others.

Consequently, when UEDCL took over the distributorship role from UMEME, some Ugandans celebrated the change, observing that it was important for Uganda to renationalise its power sector if the country was to increase power access, affordability and reliability.

However, some sections of the public opined that UEDCL, which is a government agency and has been in existence since 1999 when the current Electricity Act was put in place to guide Uganda's Power Sector Reforms (PSR), did not have the capacity to ensure the above.

Today, UEDCL has distributed electricity for over a year. What has their performance been like? Have they delivered on some Ugandans' hopes, performing better than UMEME, or have they failed?

This month, AFIEGO assessed how UEDCL had performed in delivering accessible, affordable and reliable power while reducing power losses. On behalf of the organisation, I share the results of our assessment below.

EVALUATING UEDCL'S PERFORMANCE

(a) Power affordability: UMEME was widely

blamed for keeping Uganda's power tariffs high. In **2018**, the president asserted that before signing its contract with government in 2005, UMEME connived with officials from the Ministry of Energy to inflate the country's power losses to 38%. This inflation, the president said, contributed **26%**, to the electricity tariff in Uganda.

In addition, he observed that UMEME's questionable investments and the high return on investment guaranteed to the company contributed **22%** to the country's tariff.

The president's assertions meant that UMEME contributed 48% to the country's tariff.

Because of the above, the president ordered the Ministry of Energy not to renew UMEME's contract when it ended in 2025. It was expected that with UMEME out of the way, the power tariffs would come down.

Have the tariffs come down? AFIEGO's assessment shows that the tariffs remain high so much so that in April 2026, Uganda was ranked as having the **second highest tariffs** for domestic consumers in the Common Market for Eastern and Southern Africa (COMESA) region.

(b) Tariffs paid by customers: Worth noting is that domestic consumers pay Shs. 250 per unit for the first 15 units and Shs. 756.2 per unit for consumption between 16 and 80 units.

The above **tariffs**, which were set by the Electricity Regulatory Authority (ERA) and cover April to June 2026, do not include service fees and Value Added Tax (VAT).

When the above are factored into the above rates, domestic consumers end up paying nearly Shs. 1,000 per unit of power consumed (after the first 15 units). Domestic consumers paid more or

less the same price when UMEME was still in charge of power distribution in the country.

This means the 48% or so reduction in power tariffs that Ugandans should have enjoyed on the exit of UMEME is not being enjoyed.

(c) Power reliability: How about power reliability? Is the country enjoying more reliable power supply today? Well, the answer is no.

It is true that when UMEME was in charge of the electricity distribution network, the country suffered challenges of unreliable power supply. Indeed, study after study ranked Uganda's System Average Interruption Duration Index (SAIDI), the average amount of time that customers remain without power, and System Average Interruption Frequency Index (SAIFI), the average frequency of outages, as being **high**.

In a nutshell, on average, electricity consumers in Uganda experienced high frequencies of power outages for prolonged periods of time.

When UEDCL took over, it was not expected that the power outages and their frequencies would increase as the situation was already bad. However, reports indicate that as soon as UEDCL took over power distribution, customers grappled with more **frequent** power outages that lasted for many hours or even days. They also grappled with unstable power supply characterised by on-and-off power.

Indeed, a Business Climate Index (BCI) survey conducted by the Economic Policy Research Centre (EPRC) noted that **42%** of businesses experienced some form of electricity instability between April and June 2025.

The Auditor General (AG) also observed that in 2025, hospitals **struggled** with unreliable power supply amidst limited power backup capacities.

(d) New connections: For many years now, government has been trying to increase electricity access in the country. Government has put in place various policies to scale up access. In 2018 for instance, government launched the 'Free' Electricity Connections Policy, whose goal was to ensure 300,000 new connections to electricity per year. In recent years, government has launched projects such as the Electricity Scale Up Project to increase access.

How did UMEME perform to aid government efforts to increase electricity access rates? Information in UMEME's annual reports show that in 2024, 2023, and 2022, UMEME made **219,656**, **191,874** and **121,132** new connections respectively. By the end of 2024, UMEME reported that it had 2,169,511 customers.

On its part, by June 2025, UEDCL had registered **80,841** new connections. These connections are less than the number of new connections registered by UMEME per year. But again, how many Ugandans care about connections if they cannot afford to pay the tariffs and enjoy the power?

(e) Power losses: How about reducing power losses? Is UEDCL performing better than UMEME? The answer is no, and this is hurting customers. This is because technical and commercial power losses keep power tariffs high. If some customers consume power but do not pay for it (commercial losses), paying customers pay for this loss.

This is also true for losses that occur due to technical inefficiencies in the distribution network. When UEDCL took over from UMEME, ERA set a distribution loss target of **14.59%** for the utility.

However, by June 2025, the power losses stood at **18%**, per UEDCL. Worth noting is that by the end of 2024 when UMEME was in charge of the distribution network, power losses stood at **16.7%**. This means that the power losses increased by 1.3% under UEDCL.

CONCLUSION & RECOMMENDATIONS

In many ways, UEDCL has performed worse than UMEME.

However, many Ugandans believe that most of the electricity problems in Uganda were bigger than UMEME and are bigger than UEDCL too.

The problems include government officials who negotiate and sign bad agreements as well as concessions which later allow foreign as well as domestic private companies to implement questionable projects.

These projects include expensive as well as delayed, defective and expensive dams such as Bujagali, Isimba and Karuma dams.

What is the cost of dams such as Karuma whose completion delays for five or more years? What impacts do they have on the tariffs paid by Ugandans?

In addition, in a situation where government failed to implement the recommendations made by the 2009 committee on Interim Review of Electricity Tariffs, UEDCL is bound to under-deliver.

Government also failed to implement the recommendations of the 2011 parliamentary adhoc committee that investigated electricity sector challenges. The committee, which was headed by Hon. Jacob Oboth Oboth, presented its recommendations to parliament in 2013.

Among others, the committees recommended that electricity tariffs are reduced by Shs. 188, UMEME's concession is terminated, and that Uganda's electricity sector is renationalised. To address electricity sector challenges, the following must be done:

(i) Government should, through the Auditor General's (AG) office, conduct forensic audits of the entire electricity sector. The audit should

answer questions on why the country continues to sign unfavourable Power Purchase Agreements and concessions as well as build and commission expensive and defective dams. The audit should also seek to uncover why government has failed to reduce power losses and tariffs. The audit should make recommendations to address the above challenges.

(ii) Further, in December 2025, UEDCL acquired a loan facility of \$50 million (about Shs. 180 million) from Absa Bank. The purpose of the funds was to expand and modernise the grid to increase its reliability. The AG should investigate how this money was utilised. The payments to UMEME at the company's exit should also be investigated. How much money was the company really paid?

(iii) In addition, government should urgently undertake an evaluation of UEDCL to identify the companies' strengths and gaps. The company should be reformed so that it is capacitated to play its role as a national electricity distributor.

(iv) Further, the Ministry of Finance and parliament must strengthen UEDCL to enable the entity to perform its duties; UEDCL should be adequately resourced and government should ensure that the funds availed to the utility are protected from abuse and corruption.

The funds should be invested with the main to increase power access, reduce power losses, increase reliability and most critically make tariffs affordable for all.

(v) Finally, the Ministry of Energy must implement commitments to lower power prices; government promised citizens that when Karuma and Isimba dams were commissioned, Ugandans would enjoy lower power tariffs. Government must implement this commitment by stamping out corruption and inefficiency in the entire electricity sector.

By CEO

Pictorial of our activities

AFIEGO GATHERS COMMUNITY TESTIMONIES ON EACOP PROJECT CHALLENGES



In May 2026, AFIEGO organised engagements with communities affected by the East African Crude Oil Pipeline (EACOP). The communities were drawn from Lwengo, Rakai and Kyotera districts.

During the engagements, the communities shared the challenges that they are faced with due to the EACOP construction activities.

The communities discussed ways in which to address these challenges.

AFIEGO SUPPORTS EXCHANGE LEARNING FOR EACOP-AFFECTED WOMEN AND YOUTH



In May 2026, AFIEGO organised exchange learnings between EACOP-affected women and youth from Lwengo, Rakai and Kyotera districts.

During the exchange, the women and youth discussed the challenges that they are facing during the EACOP livelihood restoration and construction phases.

Youth from Kyotera and Rakai shared the advocacy tactics that they use to ensure that duty bearers address their challenges. These were shared with their peers from Lwengo.

It is hoped that the exchange will enable women and youth from Lwengo, who are fairly new to community-led advocacy, to undertake powerful community-led advocacy.

AFIEGO UPDATES EACOP-AFFECTED PEOPLE ON THEIR COURT CASES



On May 22, 2026, AFIEGO organised a meeting for EACOP-affected people from Greater Masaka that were sued by government.

Government sued the people in 2024 and 2025, seeking to acquire their property for the EACOP while paying them inadequate compensation. Government also sought eviction and demolition orders against the people.

The people counter-sued government. During the meeting, AFIEGO updated the people on the status of their court cases.

The people also agreed on key activities that they would undertake to fasttrack access to justice.

AFIEGO AND IGEN-EA ENGAGE COMMUNITIES TO INCREASE CLEAN ENERGY UPTAKE



On May 27, 2026, AFIEGO and our partners under the Inclusive Green Economy Network-East Africa (IGEN-EA) organised community engagements in Kikuube and Bullisa districts.

During the engagements, AFIEGO and IGEN-EA shared information on community-friendly clean energy technologies to increase clean energy uptake.

IGEN-EA operates community clean energy demonstration centres through which community leaders share information on available clean energy technologies.



AFIEGO ORGANISES PARTNER AND STAFF TRAINING ON POPULAR EDUCATION



On May 1, 2026, AFIEGO supported a staff and partners' training on popular education. The training took place at Imperial Botanical Beach Hotel in Entebbe.

The training equipped staff with popular education techniques to be used at community and other levels.



In May 2026, AFIEGO also supported its lawyers to hold several meetings.

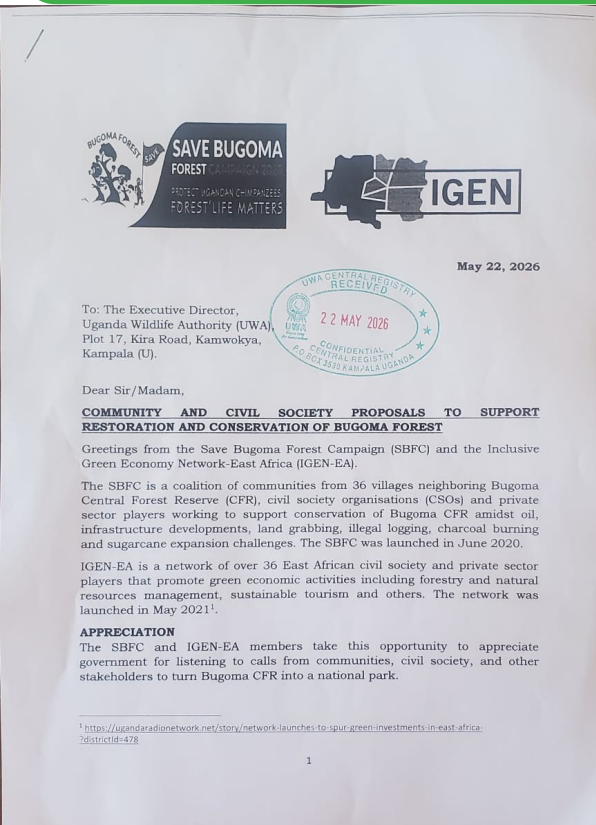
The lawyers discussed the appeal that is to be filed to challenge the dismissal of a court case that AFIEGO and youth filed for cancellation of the Tilenga oil project's Environmental and Social Impact Assessment (ESIA) certificate of approval.

The lawyers also discussed the evidence that is to be submitted in a case filed by oil refinery-affected people in a case challenging the low compensation paid to them by government. The case was supposed to be heard in May 2026 but the judge postponed the hearing to September 2026.

Lobbying

In May 2026, AFIEGO mobilised our Save Bugoma Forest Campaign (SBFC) and IGEN-EA partners to write to the Uganda Wildlife Authority (UWA). We asked that the entity addresses the challenges undermining the conservation of Bugoma forest.

Additionally, AFIEGO issued press statements and IEC materials to mark International Day of Biological Diversity, communicate about a decision to appeal unfair case rulings, and share information on the challenges faced by EACOP-affected communities among others.



In the media

In May 2026, AFIEGO staff and research associates authored opinion articles that were published in leading newspapers.

Additionally, the media published stories from the press statements that AFIEGO issued in May 2026. Some of these are captured below.

theKampalaReport

Home > Talk Back > Opinions

Doreen Asasira: Uganda's Sovereignty Bill Could Undermine Tourism and Delay the Energy Transition

by THEKR & AGENCIES / May 7, 2026

Reading Time: 4 mins read

Uganda's Parliament this week passed the controversial Protection of Sovereignty Bill after softening some of its most restrictive provisions following pressure from the Bank of Uganda, development partners, civil society, and investors. The revised bill now limits mandatory registration and disclosure requirements mainly to those receiving foreign funding for political purposes, but critics argue that its broad language still creates uncertainty for investors, civil society, and

PML Daily

Changing leaders at UEDCL will not solve Uganda's electricity crisis without systemic reform

BY PML DAILY EDITOR | PML DAILY EDITORIAL

— May 7, 2026

Doreen Asasira, an environmentalist and climate advocate (PHOTO/Courtesy).

10 SHARES

KAMPALA – Ugandans are understandably frustrated by persistent electricity challenges, unreliable power supply, inflated electricity bills, delayed connections, poor customer care, frequent outages, and unequal access to electricity, especially in rural communities. Whenever these problems intensify, public debate often shifts toward leadership changes at the Uganda Electricity Distribution Company Limited (UEDCL). Nevertheless, an important question must be asked, will merely replacing leaders solve Uganda's long-standing electricity problems?

LETTERS

It is time for global action to preserve biodiversity

Every May 22, Uganda joins the rest of the world to celebrate International Day of Biodiversity. This day is marked by the United Nations Convention on Biological Diversity (CBD) which highlights the global goal of conserving biodiversity. The Convention on Biological Diversity (CBD) is a global agreement that sets the framework for global biodiversity conservation, making the call to live in harmony with nature from 1992 to 2022.

Uganda, with its rich ecosystems and biological wealth, stands as a critical player in the global effort to protect biodiversity. The other two are climate change and sustainable development goals (SDGs). Biodiversity is a key element of life in our planet. It provides food, medicine, and raw materials. It also helps in maintaining the ecological balance, making the call to live in harmony with nature from 1992 to 2022.

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12:52 46%

The Independent

Saving Bugoma Forest: Too late, or just in time?

May 20, 2026

Outgoing Prime Minister, Robinah Nabbanja, alongside her colleague Tom Butime, the outgoing Minister of Tourism, Wildlife and Antiquities, during their excursion inside Bugoma Forest Reserve on May 9. COURTESY PHOTO/UGANDA WILDLIFE AUTHORITY.

The government's decision to elevate Bugoma forest protection may mark a policy shift, but it can't easily reverse years of encroachment

NEWS ANALYSIS | RONALD MUSOKE | When outgoing Prime Minister Robinah Nabbanja recently toured sections of the Bugoma Central Forest Reserve, the roadside canopy of tall green trees initially created the impression of a thriving intact tropical rainforest.

But the illusion quickly faded once she stepped out of her vehicle and moved beyond the roadside strip, where she

5:10 20%

EQ MONITOR

Court orders govt to pay activists Shs10m over detention beyond 48 hours

Monday, May 04, 2026

Police arrest a group of youth environmental activists protesting EACOP in Kampala recently. PHOTO/ FILE

By David Walugembe

1XBET LET IT BOUNCE

Upcoming events

June 01-11, 2026; Kampala: Support a consultant to conduct interviews with IGEN-EA members and key stakeholders to develop the network's strategic plan

June 10, 2026; Online: Disseminate an awareness-raising brief on Uganda's critical minerals and their associated environmental and social risks

June 12, 2026; Kampala: Support IGEN-EA to hold a strategic meeting for reflection and planning purposes

June 16, 2026; Kampala: Hold a meeting with university students to discuss the establishment of green jobs clubs at various universities

June 18-19, 2026; Bunyoro and Greater Masaka: Support IGEN-EA to conduct a clean energy training to equip community members with skills in the making of briquettes and rocket lorena cookstoves

June 24, 2026; Hoima: Organise a radio talk show on Uganda's critical minerals and their role in advancing a Just Energy Transition

June 29-30, 2026; Kampala: Disseminate community publications on the social and biodiversity impacts of the EACOP construction activities

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 transition. 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