AFRICA INSTITUTE FOR ENERGY GOVERNANCE

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September 22, 2026

Rt. Hon. Jacob Oboth-Oboth,
The Speaker of Parliament of the Republic of Uganda,
P.O. Box 7178, Kampala

Dear Rt. Hon. Speaker,

<u>CSOs PETITION TO PARLIAMENT AGAINST APPROPRIATION OF ADDITIONAL UGX 148 BILLION TO REMEDY KARUMA DAM DEFECTS</u>

Parliament must compel Sinohydro Corporation Ltd to bear the full cost of remedial works at no expense to the taxpayer

On behalf of the undersigned, I thank you and Members of Parliament (MPs) for your continued work in exercising parliament's legislative and oversight roles.

In particular, we commend you and Parliament for undertaking an appraisal visit to the Karuma Hydropower Dam on August 21, 2026, to assess Uganda's electricity situation. During the visit, Members of Parliament demanded answers from the relevant authorities regarding the dam's recurring operational failures. This commitment to oversight is commendable and reflects the vigilance Ugandans expect from their elected representatives. Such oversight is essential to protecting the public interest and addressing recurring problems of cost overruns, poor project performance and lack of accountability in public infrastructure projects.

Africa Institute for Energy Governance (AFIEGO) is a registered public policy research and advocacy company limited by guarantee whose main objective is to promote good energy governance and development in Uganda and the Great Lakes region.

Rt. Hon. Speaker, for years, Ugandans have raised legitimate concerns about the Karuma Hydropower Project, including the quality of construction works, resettlement challenges, rising project costs and allegations of corruption[1]. It is deeply concerning that taxpayers are now being asked to pay an additional UGX 148 billion[2] to address defects and problems that should have been identified and rectified during the construction and commissioning of the project.

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[1] https://thepeoplesmap.net/project/karuma-hydroelectric-power-station/
[2] https://www.monitor.co.ug/uganda/news/national/karuma-dam-contractor-wants-additional-shs148b-to-fix-defects-5570110#story

It is a matter of grave concern that some of the challenges currently affecting the Karuma Hydropower dam were not unforeseeable, but involved defects that had been identified before the dam was commissioned. During the Parliamentary Committee meeting, Members of Parliament were informed that the severe infestation of water weeds, which has significantly affected the dam's operations was worsened by the contractor's failure to reinstall the log boom lines[1]. These log boom lines were a critical component of the original design and were intended to trap water weeds and debris before they could reach the turbines. They were swept away by the river in 2019, approximately five (5) years before the dam was commissioned in September 2024. Despite this, the dam was commissioned and handed over without the log boom lines being reinstalled.

We also note that the 11th Parliament approved a request by Ministry of Energy and Mineral Development for an additional UGX 89 billion to undertake supervisory works at Karuma and Isimba dams and enable the contractor to address defects and poor-quality works[2]. Of this amount, UGX 51 billion was allocated to Karuma dam, while UGX 38.367 billion was allocated to Isimba dam. The approval followed the presentation of the report by Hon. Achia Remigio, Vice Chairperson, Parliament's Budget Committee, on the 2025/26 Budget Framework Paper.

Ugandans are also concerned that while government is considering providing additional funds to address defects at the Karuma Hydropower Project, nearly 119 households displaced by the project remain uncompensated and have not been physically resettled. The Parliamentary Committee on Environment and Natural Resources, in its report on the Ministerial Policy Statements for the Financial Year 2026/27, indicates that the government owes approximately UGX 70 billion to Project Affected Persons (PAPs) under the Karuma Hydropower Project[3].

Therefore, the undersigned CSOs call upon parliament to exercise its oversight powers under Article 79(1) of the Constitution by rejecting the request for additional UGX 148 billion to remedy defects at the Karuma Hydropower dam and demanding accountability from those responsible. Parliament has a critical role to play in protecting public resources and ensuring that public officials and contractors are held accountable for failures that have resulted in the loss or misuse of taxpayers' money.

The undersigned CSOs set out below the reasons why Parliament should reject the request for an additional UGX 148 billion:

a). Failure to restore a critical component of the dam's design: The water weeds and debris currently affecting the dam's operations are linked to the absence of the log boom lines, which were an integral part of the original project design and were intended to trap water weeds and debris before they could reach the turbines. The log boom was swept away by the river in 2019

[1] https://www.monitor.co.ug/uganda/news/national/why-karuma-dam-is-struggling-to-take-off-5576048#story
[2] https://thecapitaltimes.co.ug/public-outcry-as-mps-pass-89-billion-for-karuma-isimba-dam-defect-supervision/
[3] https://witnessradio.org/thirteen-years-after-the-karuma-hydropower-project-broke-ground-countless-people-forced-from-their-homes-are-still-waiting-for-the-compensation-and-resettlement-they-were-promised/

before the dam's commissioning in September 2024. Despite this, the log boom was not reinstalled before the dam was commissioned and handed over. The contractor subsequently disputed responsibility for reinstalling the log boom at its own cost.

Hon. Dan Kimosho, Chairperson of the Parliamentary Committee on Environment and Natural Resources, affirmed that the log boom was a prescribed design element. Its absence raises serious concerns about the failure to ensure that critical component of the approved design was restored before the dam was commissioned. The government should therefore require the contractor to meet its obligations in relation to defect and should not transfer the cost of addressing those obligations to tax payers.

b). Increased project cost and revenue losses: The construction of the 600 MW Karuma dam commenced in 2013, with a contractual completion period of 60 months, meaning that the project was expected to be completed in 2018. However, implementation took approximately 114 months, resulting in a delay of nearly 54 months beyond the agreed completion period [4]. Consequently, the project cost increased from the original budget of $1.7 billion (UGX 6.323 trillion) to UGX 8.18 trillion, representing a cost overrun of nearly UGX 2 trillion. In addition, Uganda began servicing the project loan from the Export-Import Bank of China before the dam started generating electricity, resulting in an additional UGX 113.9 billion in interest charges[5] . These delays and additional costs have placed a significant burden on taxpayers. Approving the additional 148 billion would further increase the public cost of a project that has already experienced significant delays, cost overruns and operational challenges. It would also raise concerns about accountability where contractors are not required to bear the costs associated with defects or failures for which they are responsible.

c). Corruption and accountability concerns in the construction of the dam: The construction of large hydropower projects in Uganda has raised longstanding concerns about corruption, transparency and accountability. In the case of Karuma Hydropower project, allegations of corruption and violation of procurement procedures have been raised in relation to the procurement process[6]. The People's Map of Global China, which tracks Chinese-financed infrastructure projects globally, has also documented significant construction delays and quality concerns, labour-related concerns, tensions with local communities, and challenges relating to land compensation and resettlement[7].

In addition, information in the public domain raises concerns about transparency and accountability at different stages of the project, including the selection of the contractor/developer, the quality of the Power Purchase Agreement (PPA), the project loan and repayment terms,

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[4] https://www.independent.co.ug/karuma-hydro-power-project-delays-could-cost-govt-sh113billion/
[5] https://ugandaradionetwork.net/story/govt-incurs-ugx-113b-in-delayed-commissioning-of-karuma-hydro-power-project-?districtId=505
[6] https://ugandaradionetwork.net/story/mp-petitions-igg-over-karuma-dam-suspension
[7] https://thepeoplesmap.net/project/karuma-hydroelectric-power-station/

supervision by the Ministry of Energy and Mineral Development (MEMD) and Uganda Electricity Generation Company Limited (UEGCL), the quality of the dam, and the acquisition of land for the project.

d). High public investment, rising debt and limited access to electricity: The government has invested significant amounts of public resources in developing, expanding and rehabilitating hydropower dams in Uganda. For example, more than $4.1 billion (over UGX. 15 trillion) has been spent on the Owen Falls. Kiira, Bujagali, Isimba and Achwa power dams. This amount represents a significant share of Uganda's UGX. 72.3 trillion budget for the Financial Year 2026/2027[8]. At the same time, Uganda's public debt has risen to UGX.130.9 trillion[9] , largely driven by increased domestic borrowing. Despite these huge investments in electricity generation, only 25.3% of Ugandans have access to grid electricity[10].

e). Previous civil society calls for an audit and accountability. Africa Institute for Energy Governance (AFIEGO) and its partners have consistently raised concerns about the Karuma Hydropower project. In July 2021, we petitioned[11] your Office, the Inspector General of Government, the Auditor General, and other relevant authorities to conduct a comprehensive forensic audit of the project. The petition raised concerns about the US$1.7 billion project cost, the Power Purchase Agreement (PPA), the developer's capacity, construction quality, cost overruns, commissioning delays and their impact on electricity tariffs, the division of responsibility between the Government and the developer, the terms of the Export-Import Bank of China loan, and the capacity of government institutions responsible for supervising the project. Mant of these concerns remain relevant today, as operational challenges and requests for additional public are now before Parliament.

Recommendations

What should be done?

i. In line with Article 79(1) of the Constitution, Parliament should exercise its oversight powers and reject the request for an additional UGX 148 billion to remedy defects at the Karuma Hydropower dam;

ii. Parliament should refer the matter to the Inspector General of Government (IGG) to investigate allegations of abuse of office, corruption or negligence by public officials, where there are grounds to do so;

[8] https://www.parliament.go.ug/news/3943/govt-unveils-shs723-trillion-budget-drive-full-monetisation-economy
[9] https://www.parliamentwatch.ug/news/ugandas-borrowing-spree-pushes-public-debt-to-ugx130t
[10] https://www.newvision.co.ug/category/blogs/can-mission-300-close-ugandas-electricity-acc-NV_238074_082026
[11] https://www.afiego.org/wp-content/uploads/2024/03/CSO-petition-to-the-Auditor-General-to-audit-Karuma-dam-failures-29-July-2021.pdf

iii. Parliament should direct the Auditor General to conduct a forensic audit of payments made under the Karuma Hydropower Project, including payments made under the project contract;

iv. Parliament should direct the Ministry of Energy and UEGCL to enforce the contractor’s defect liability obligations and pursue appropriate remedies where the contractor is found responsible, including legal remedies where necessary;

v. Parliament should require the Ministry of Energy and UEGCL to account for the circumstances under which the dam was commissioned and handed over despite the absence of critical components, including the log boom lines;

vi. Finally, Parliament should require the Ministry of Energy and UEGCL to account for the management and performance of hydropower projects under their oversight, including the measures taken to address recurring defects, delays and cost overruns. Parliament should also assess whether appropriate safeguards are in place to prevent further loss or misuse of public resources.

We thank you in advance for your co-operation.

Yours faithfully,

Kamugisha.

Dickens Kamugisha

CEO, Africa Institute for Energy Governance (AFIEGO)

SIGNATORIES:

1. Africa Institute for Energy Governance (AFIEGO)
2. Youth for Green Communities (YGC)
3. Guild Presidents’ Forum on Governance (GPFOG)
4. Community Climate and Energy Shield Initiative (CCESI)
5. Action Coalition on Climate Change (ACCC)
6. South Western Institute for Policy and Advocacy (SOWIPA)
7. Oil Refinery Residents Association (ORRA)
8. Centre for Conservation and Ecoenergy Initiative (CCEI)
9. Twimukye Womens Organisation
10. Graffen Organisation –Butimba
11. Youth Action for Environment -Kiryandongo

12. Center for Energy Governance
13. African Initiative on Food security and Environment
14. Water and Electricity Consumers' Association
15. Kasese Citizens Coalition to Safeguard Biodiversity
16. Katwe Sanitation and Clean Energy Women's Club (Kasese)

CC:

- The President, Republic of Uganda,
- The Minister of Energy and Mineral Development,
- The Chairperson, Natural Resources Committee of Parliament,
- The Chief Executive Officer, ERA,
- The Executive Director, Uganda Electricity Generation Company Limited (UEGCL),
- The Inspector General of Government (IGG),
- The Public Accounts Committee (PAC),
- The Auditor General.