

Govt: Pay claims on dams to push power tariffs up

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KAMPALA. Compensation claims by a group of people affected by the ongoing construction of Isimba and Karuma dams amounting to Shs512b, if cleared by the government, will push electricity tariffs up, a senior government official has warned.

Mr Robert Kasande, the acting Permanent Secretary in the Ministry of Energy, told the Justice Bamugemereire-led commission yesterday that if the claims are met by government, the cost of constructing the two dams will shoot up and impact on the cost of electricity.

The two dams were priced at nearly \$2b (Shs6.7 trillion).

Government is currently embroiled in a dispute with project-affected persons over claims of compensation for their rocks and sand in Kayunga and Kiryandongo districts.

Mr Kasande said the compensation claims stand at Shs500b in

Isimba and Shs12b for Karuma Dam.

Evidence presented yesterday indicates that a group of 13 people are seeking compensation for sand and rock found under the ground of their former land measuring approximately 28.5 acres which has since been transferred to government.

Mr Kasande also warned that the claims would set a precedent detrimental to the infrastructure and economic development.

Fears

"These are fresh claims for rocks after valuations and payments for land. This is ridiculous and unprecedented and it is likely to cause adverse effects," he testified.

The valuation claims, according to the probe, are based on an assessment by senior officials in the Energy ministry.

But Mr Kasande said Energy officials drew the report based on a request by then principal valuer, Mr Moses Magara, without following the right procedures.