

Why Museveni sacked Energy PS

Conflicts. Highly-placed sources cite friction between the permanent secretary and some of his more experienced technical staff, which evolved into open disagreements and collision in decision-making.

BY FREDERIC MUSISI
musisi@ug.nationmedia.com

KAMPALA. An abrupt decision to relieve ministry of Energy Permanent Secretary Stephen Isabalija of his duties after only 10 months on the job opened the veil on crippling power fights among bureaucrats and their erratic work methods.

News about the sacking, which remains officially unannounced, began trickling in on Wednesday evening after back-to-back stormy meetings at the ministry headquarters at Amber House on Kampala Road.

Dr Isabalija, then chairman of the Uganda Electricity Generation Company Ltd (UEGCL), was named PS and accounting officer last November to replace long-serving Kabagambe-Kaliisa and, as such, was viewed by a section of senior staff as an outsider and undeserving of the juicy post.

Additionally, he had in the first place become the President's "blue-eyed boy" by exposing inefficiencies and shoddy works in the construction of Karuma and Isimba power dams then supervised by Energy ministry officials.

The two plants, once completed next year, will bring a combined 783 megawatts of electricity to the national grid. This exposure got key engineers on the project interdicted and fed, among other reasons, into a later decision to sack Kabagambe-Kaliisa.

There was at the time a fight between UEGCL, where Dr Isabalija was board chairman, and the parent Energy ministry over control of the \$2 billion (\$hs7 trillion) projects.

After UEGCL won the war and wrested control of the two flagship energy projects, President Museveni



Appointing authority. Museveni



At centre of woes. Stephen Isabalija



Chaired meeting. Irene Muloni

decided to shift Dr Isabalija to the other side of the frontline where his previous actions had cultivated anger and enmity.

Thus, the reception for him on arrival at Amber House was at worst hostile, explaining why it was unsurprising to see some employees yesterday celebrate as news of his exit spread.

In the November 2016 reshuffle, President Museveni removed Kabagambe-Kaliisa from the heartbeat of decision-making in a ministry he joined as a geologist in 1976, but gave him a window to clearly observe its activities in a capacity of senior presidential adviser on oil and gas.

Therefore, for insiders, things at the ministry easily and quickly spinning out of control was an accident already set in motion and waiting to happen.

Energy minister Irene Muloni, who yesterday morning was in transit to Equatorial Guinea ahead of President Museveni's scheduled visit, declined to discuss the circumstances leading to Dr Isabalija's unceremonious exit.

However hours before her trip, multiple Energy ministry sources said the minister chaired a night meeting at Amber House, after one earlier in the day during which emotions ran high, and announced that Mr Robert Kasande, the

acting director of the Petroleum Directorate, would become the interim PS.

There was no reason given, but a highly-placed source said things had been tense throughout the day at the ministry headquarters.

At one point, the PS reportedly stormed in and out of minister Muloni's office. Dr Isabalija was unavailable to speak to us despite repeated attempts to reach him on the phone and he was a no-show at work, although subordinates

insisted that he was still in-charge.

According to highly-placed sources, the friction between the PS and some of his more experienced technical staff evolved into open disagreements and collision in decision-making which expanded to infect conversations and relations with counterparts in other ministries as well as donors.

"It was only a matter of time for things to unfold this way (result in sacking)," said a source, referencing a July 27 meeting at State House during which it is reported that President repeatedly shut down the Energy PS with a rebuke that "I am tired of your lies".

Senior officials in the Energy and Finance ministries as well as technocrats in the office of the Solicitor General and UEGCL attended the State House meeting where it was evident the battle lines had been drawn.

The unpleasant matters had been piling for a while. There was the decision in July by Dr Isabalija, and contested by others, including the Solicitor General, to terminate a Memorandum of Understanding between the government and a Chinese company; China Africa Investment and Development Company (CAIDC) for construction of Kiba dam on River Nile in Nwoya District.

The government signed MoU with the CAIDC in 2015 to undertake a feasibility study that would lead to a build, own, operate and transfer (BOOT) agreement for the dam, but Dr Isabalija unilaterally cancelled the arrangement, exposing the government to a possible suit.

He told this newspaper then that the Chinese company had failed to deliver and "we are not here for a cup of tea. I talked with the Energy minister and she agrees with me [that] we cannot continue with that company".

Even when not in writing, Ugandan bureaucrats follow the rule-of-thumb not to rattle Chinese firms that have smoothened their ways to the high-up of Uganda's leadership, including State House, ever since their home government became Uganda's most generous financier.

Thus in Kiba dam, the PS had pressed hard a self-destruct button. Besides, intelligence agencies continued to file unpleasant reports about him to the appointing authority, the President.

INVESTOR FEUDS

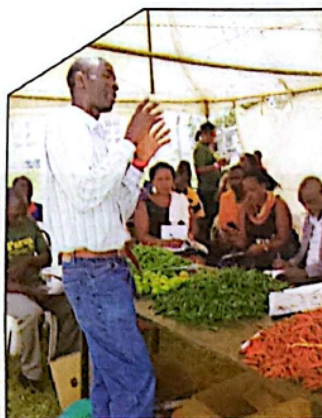
Woes: Dr Stephen Isabalija and other technical staff overseeing the oil and gas sector for example bitterly disagreed on the search for an investor for the Greenfield oil refinery project. The government on the recommendation of Dr Isabalija and his associates is currently working with a consortium of American, Italian and Mauritius firms, which was rated second during due diligence, as opposed to the Chinese venture that had reportedly been ranked the best evaluated bidder.

Tomorrow in Saturday Monitor

In Seeds of Gold magazine,

- Facilitators give a peek at what participants should expect at the Monitor Farm Clinic.
- And also read about a former teacher making a killing from passion fruits.

Don't miss your copy!



Seeds of GOLD
Monitor Farming for Impact

Daily Monitor

@dailymonitor



www.monitor.co.ug