

## THE PLAN

*The project targets provision of electricity to over 71,000 households. In addition, 21 schools and nine health clinics will receive power from the project distribution network covering over 288km.*

By John Odyek

The Government and the Kingdom of the Netherlands have signed a partnership to construct nine mini-hydropower plants in western Uganda. The plants are intended to generate 6.7MW of power for rural communities that have no access to power.

The projects will run under the Uganda Electricity Credit Capitalisation Company (UECCC). The company received grant funding of euros 13.1m (about sh52.4b) from the ORIO Infrastructure Fund of the Netherlands government, towards the development of the mini-hydropower sites of 0.5MW to 1.5MW as a single project for rural electrification.

ORIO is a facility for infrastructure development in developing countries.

The Government will provide counterpart funding of euros 28.94b (about sh110.05b) for the project. The equipment, such as power generation turbines, will be imported tax-free. The money will be available in the budgeting cycle over the four-year period of the project.

During the ceremony to sign partnership at the Sheraton Kampala Hotel yesterday, finance minister Matia Kasaija said the country was in dire need of power and welcomed all initiatives intended to generate and distribute power.

"The rural areas are very dark. We must light them up," Kasaija remarked. He added that lighting and industrialising the country to create employment requires power that is cheap, reliable and accessible.

Kasaija said the project targets provision of reliable electricity to over 71,000 households (about 376,000 people). Over 1,300 small and medium-size enterprises will receive power in the project area. In addition, 21 schools and nine health clinics will receive power from the project distribution network covering over 288km.

Henk Jan Bakker, the ambassador of the Netherlands to Uganda, noted that although the project appears small, it will bring 1% of Uganda's population onto the national grid.

"The majority of rural households depend on low grade-forms of energy in the form of biomass fuels (wood or charcoal) for cooking and lack electricity for lighting or to pump water. For this project to succeed, the actual household connections have to be

# Sh162b earmarked for nine power projects



Muhakanizi (left) and Muloni look on as Bakker (right) exchanges the signed agreement with Kasaija (second-right) during the launch of the implantation phase of the Orio mini-hydro project at the Kampala Sheraton Hotel yesterday. Photo by Ronnie Kijambu

## PROJECT SITES

- Kasese district – Katooke site on River Nyabyayi.
- Hoima district – one site on River Hoima.
- Kabarole district – Igassa site on River Igassa, Nsongya site on River Nsongya and Kabasanja site on River Wamkira.
- Bushenyi district – Rushobe Site on River Warugo.
- Mitooma district – Ncherwa site on River Ncherwa.
- Bundibugyo district – Kisonko site on River Nyahuka and Tokwa site on River Tokwa.

constructed," Bakker said.

He noted that the relationship between Uganda and the Netherlands would be to move from aid to trade, where aid will be phased out.

Energy minister Eng. Irene Muloni said

## CURRENT PRODUCTION

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only 20% of Ugandans have access to grid electricity connections.

Muloni said many projects were being undertaken by the Government to increase power supply in the country.

"When the Government realised the slow growth of the power sector in 1999, reforms were introduced. As a result of the reforms, private sector investment in the power sector increased and system losses have been reduced from 35% in 1999, to 18% in 2017. The installed capacity of electricity now stands at over 885MW, but our target is to generate 3,885MW," Muloni explained.

Keith Muhakanizi, the permanent secretary

in the finance ministry and the chairperson of UECCC, said the projects being undertaken are not attractive to the private sector, but are crucial for rural electrification and for powering enterprises in rural areas.

He added that the Rural Electrification Agency will construct the evacuation and electricity lines and implement the connections.

## Fact file

Uganda's installed capacity of electricity stands at 885MW against a target of 3,885MW. The power supply comes from Bujagali Hydropower Project (600MW), Kiira and Nalubaale power stations (200MW).

Work in progress on large power projects include Karuma Hydro Power (600MW) and Isimba Hydropower (183MW). Planned projects are Ayago (840MW), Muzizi (44.7MW), Nyagak III (5.5 MW), Okulacere (6.5MW), Nabuyonga (5.4MW), Agbinika (2MW) and Maziba (1MW).