

National

The developments underscore widening fault lines between management, regulators, and political oversight.

BY FREDERIC MUSISI

The Uganda Electricity Distribution Company Ltd (UEDCL) board sent seven senior managers on a one-month forced leave on Monday to allow for investigations into the "workplace culture" and other inadequacies that have plagued the company during the past year of transition from private concessionaire, Umeme Ltd.

The move has stoked more tension and anxiety at the crisis-laden company as the suspended managers are perceived as loyalists to the former Managing Director, Paul Mwesigwa, who was placed on forced leave last week on Friday alongside the board chairperson, Lydia Ochieng-Obbo, who was terminated, while the interim managers are said to be loyalists of the new management.

Mr Mwesigwa's ouster, reportedly on the directive of President Museveni, was immediately followed by the deployment of Counter Terrorism police officers at UEDCL's offices throughout the weekend, and the company's website was edited to reflect the acting Managing Director, Ms Joselyne Rwabooogo Rwakakooko, and the Interim Board Chairperson, Ms Stella-Marie Biwaga Cingho.

Since reassuming management of the country's grid network and Umeme Ltd's workforce of about 2,600 on April 1, 2025, UEDCL, one of the three successor companies of the Uganda Electricity Board (UEB) which was disbanded in 1999 as part of power sector reforms, has been one giant pressure cooker that is literally bursting at the seams.

UEDCL, like its sister companies Uganda Electricity Generation Ltd (UEGL) and Uganda Electricity Transmission (UETCL), is co-owned by the ministries of Energy and Finance. With the familiar history of political interference in the running of state-owned enterprises which rendered them loss-making entities since 1986 when the NRM came to power, some insiders say trouble at UEDCL started in December 2024 when the Ministry of Energy succeeded in amending the Memorandum and Articles of association to have a greater say in hiring and firing the board, as it has unfolded.

Ministry of Energy honchos have defended that the decision was to ensure "robust" corporate governance.

For Mr Mwesigwa, an accountant and economist who started his career at the defunct UEB, moved to UEDCL when it was birthed, from where he moved to Umeme Ltd as the company was starting up, and bounced back as UEDCL MD in 2019, the past one year in the office is summarised by the French poet Jean de La Fontaine's saying: "A man often meets his destiny on the road he took to avoid it." The idea that despite one's best efforts to avoid a certain path in life, they end up facing it.

His ouster was a matter of when, not if. The actual cause(s) depend on whom one talks to. Before UEDCL reassumed managing the electricity network on April 1, 2025, Mr Mwesigwa had pulled the first punch; by placing the mess plaguing the power sector where it squarely belonged, at the doorsteps of the regulator, Electricity Regulatory Authority (ERA), which was accused of fail-

Inside power struggles, fight over deals at UEDCL



Uganda Electricity Distribution Company Ltd staff go about their duties recently. PHOTO/FILE

ing to do its duty of supervising Umeme.

The company even issued a status of network report that detailed defects within the network and related issues around \$85m (Shs317b), and the cost of spare parts and urgent repairs around \$60m (Shs224b). Owing to the clauses in the concession agreement, non-compliance and delayed identification of deficiencies, remediation efforts would come at a later date.

According to documents, UEDCL inherited 113 faulty transformers around Kampala and over 60 across the country. Matters were made worse by the inflexibility at some substations like Kawanda, Namungoona, Lugogo, Clock Tower, and elsewhere, that power large parts of Greater Kampala Metropolitan, leading to frequent outages. Likewise, distribution network performance has been heavily impacted for each single interruption on the transmission grid that experienced over 2,000 hours of outages.

As early as 2024, ERA allowed UEDCL to collect \$37m (Shs138b) from the tariff for its operations, but with a caveat until told to do so. The green light was given on March 27, 2025. The company further allowed another \$20m (Shs74b). Mid-last year, the Ministry of Finance procured a \$50m loan (Shs186b) from Absa Bank as start-up capital for the company. All monies totaled was enough to give the company a push.

However, as of early this year, Ministry of Energy sources claimed UEDCL had more than \$100m (Shs374b) in its operating account, but of which only 2 percent had been spent. Still, the reasons depend on who one talks to. Energy industry sources say multiple government departments, from PPDA to the Solicitor General, had given the company waivers to fast-track procurements for transformers and other equipment, but "things were moving slower than they should."

The average downtime for procurements for transformers and other equipment is six months to one year. This as swathes of the country continue to wallow in intermittent power supply.

On the other hand, insiders in UEDCL cite inside political struggles and butting heads with their supervisors at

THE FACTS

- UEDCL took over Uganda's from Umeme on April 1, 2025.
- The company inherited over 2,600 staff from Umeme, creating integration challenges.
- Electricity losses reportedly rose from about 15% to nearly 19% within the first year of takeover.
- ERA flagged declining reliability, frequent outages, and slow fault response times.

Amber House and other commission agents around town over the tenders to supply transformers, building or refurbishing power substations.

In some instances, according to documents, orders came as "presidential orders" to support local companies. Still, sources indicated that Mr Mwesigwa was always obstinate and a stickler to procurement laws.

According to UEDCL, between April and December 2025, only \$49m (Shs183b) had been approved by ERA against the required \$190m (Shs709.6b) as submitted capital requirement.

As power outages surged, Energy Minister Ruth Nankabirwa during a press conference last October in Kampala called for calm and urged the country to "give UEDCL time" to stabilise the network after taking over from Umeme seven months earlier. She attributed the intermittent power supply to the defective network, particularly old and overloaded transformers.

Even then, according to sources, "some forces" were eager to oust particularly Mr Mwesigwa, and later the UEDCL senior management. A draft plan was in works. The plan, according to sources, was a "Uganda National Roads Authority-like type of restructuring"—in 2015; when all contracts of existing staff were ended, to allow for them to compete with the incoming Umeme staff. Out of fear that Umeme's interests would supplant UEDCL's, the plan was shelved.

The plot to overhaul the entire workforce of over 2,000, but starting with the

top bosses, and bring in a private player to handhold UEDCL was revisited later in November. Premier Robinah Nabbanja, on guidance from State House, thwarted the exercise and questioned the logic of bringing in a private player barely nine months after taking over from Umeme.

Still, it remained a matter of when, not if. Last week on Friday, Ms Nankabirwa sent Mr Mwesigwa on forced leave.

"I am in receipt of a directive from His Excellency dated 29 April 2026 directing me to send you on forced leave. He raises several concerns/issues regarding the company's operations including the increase in electricity losses from 15% to about 19% following the commencement of UEDCL's operations of the National Distribution Network on 1 April 2025," Ms Nankabirwa wrote. The letter was copied to the Finance Minister Matia Kasaija, Junior Energy minister Sidro-nius Opolot Okaasi, Energy Permanent Secretary Irene Bateebe, and the ERA Chief Executive Officer, Ms Ziria Tibalwa Waako.

She added: "During the period of forced leave, you are required to refrain from performing any work-related duties or accessing company systems, premises, or resources unless explicitly authorised, and return all company property."

Energy ministry officials referred this newspaper to their statement issued at the weekend warranting the sackings as "part of routine governance and oversight procedures aimed at strengthening institutional performance, accountability, and service delivery..."

The argument, some insiders said, is however biased. They cited UEGCL reported bungling up supervision of the Shs2.1t Isimba dam so much so that the government is in talks to pick the tab of Shs374b to remedy the defects. There is a looming crisis, but no official was indicted apart from the occasional blame gaming. Some past top officials of UETCL were implicated in various procurement deals that cost taxpayers billions, but none was indicted until they exited. Executive of ERA have been accused of having slept on the job during Umeme's 20-year concession, but the company

handed over a defective network without sanctions.

The government and Umeme are currently in arbitration over the hand-out amount of \$234.7m (Shs870b) that Umeme wants. According to documents, Umeme closed off with energy losses—unusable energy generated during conversion, transmission, or usage, typically manifesting as waste—averaging 16 percent, up from 38 percent in 2024. UEDCL was given the target of reducing targets further to 13.7 percent, and per Ms Nankabirwa's April 30 letter, it had instead increased by roughly six percentage points. In comparison, Kenya and Tanzania which have more installed electricity capacity than Uganda stand at 22 and 17.9 percent.

Asked why UEDCL management could be accused of failing on this metric in just one year, the Energy ministry referred this newspaper to their statement issued at the weekend. As for what happened to giving UEDCL time as the minister proffered last October, we were still referred to the statement.

Sources, however, maintain that the "minister has been far more patient with UEDCL management" citing an earlier detailed confidential report by ERA. It is based on that report that the minister had directed the UEDCL board to the performance by senior management. In the report, ERA provided analysis on different performance metrics, and in summary casting doubt on UEDCL's management to deliver. For instance, on reliability and quality of supply, ERA wrote that: "Deterioration under UEDCL frequent outages prolonged restoration due to poor response time—persistent shortage of transformers, operation and maintenance materials and essential tools customers experiencing worsening service reliability, frequent power fluctuations, long outages, inconsistent voltage levels = UEDCL failure to meet reliability and quality obligations."

On cultural resistance intended to undermine systems, the regulator opined: "Resistance within management to the adoption and operationalisation of accountability systems – SAP, GNIS, SCADA enhancements and EDMRS – intentional efforts to preserve environments vulnerable to malpractice."

On severe safety and infrastructure risks, ERA wrote: "Substation audits reveal: Non-functional critical control and protection systems – exposing the system and staff. Absence of suppression infrastructure and the existing ones have long expired servicing dates. Poor housekeeping and unsafe operational environments. Inadequate tools for field staff thereby exposing them during technical fieldwork."

UEDCL and ERA have been at loggerheads since early last year. UEDCL insiders wonder how a management team accused of incompetence "has steered the company to the current 2.5 million customers." UEDCL insiders also question "what intrinsic interests ERA has in the operations of UEDCL" to the extent of interfering in the appointment of senior managers, which they say "creates a conflict of interest."

Asked about the matter, ERA's Director for Communications, Mr Julius Wandera said: "There is no cost incurred by any regulated entity that is not approved by the regulator."