

IGG takes over probe into Kilembe

By Moses Walubiri and Henry Ssekanjako

As the inspectorate of government embarks on the task of finding out whether money changed hands in the award of a concession to a Chinese firm to manage Kilembe mines for 25 years, lawmakers across the political divide yesterday blamed government technocrats for causing the country the resultant loss from the deal.

State minister of finance in charge of privatisation, Evelyn Anite, yesterday faced a stormy House over the issue of the Chinese firm running Kilembe mines, with a section of lawmakers openly accusing technocrats in her ministry of sacrificing the interests of the country at the altar of backhanders from foreigners.

"This was another disaster because of handouts given to a few individuals by quack investors," Fort Portal Municipality MP Alex Ruhunda said after Anite presented a report to the House on what the Government is doing to disentangle itself from the concession agreement.

In 2013, the Government entered into a concessionaire agreement with a Chinese firm, Tibet Hima Mining Ltd, a Uganda registered company and a subsidiary of Tibet Automobile of China, for \$175m copper mining.

It has since transpired that Tibet Hima Mining Ltd has failed to redeem any of its promises such as sanctioning a performance bond worth 15% of the contract price and payment of \$1m annual royalties to the Government.

MPs Wilfred Niwagaba, James Kakooza, Robert Centenary, Muhammad Nsereko and William Nzoghu demanded that Government immediately repossess Kilembe mines to stop what they described as asset stripping of the mines.

Last week, the Leader of Opposition, Winnie Kiiza, told the House that Hima Tibet, despite not ever paying a penny to the Government, is raking in revenue in the form of selling electricity and scrap metal from the foundry, which is Kilembe mines property.

In her statement, Anite conceded that the Government decided to explore avenues of arbitration to avoid getting entangled in costly litigation. Agnes Alaba and Josselyn Ategeka, technocrats from the energy and finance ministries respectively, have been appointed to defend the Government.

Asked by Deputy Speaker Jacob Oulanyah whether a contract in law exist to warrant arbitration in light of the fact that Hima Tibet has flouted all the fundamental terms of the contract, Deputy Attorney General, Mwesigwa Rukutana answered in the negative.



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