

# Umeme signs Shs72b deal

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**KAMPALA.** Electricity distributor Umeme has inked a \$20m (about Shs72b) pact to intensify grid connections.

The money will finance the extension of the electricity distribution lines to yet to be identified densely populated areas that are not connected to the national grid.

It will also involve the installation of electrical transformers in trading centres.

The Umeme managing director, Mr Selestino Babungi, said the World Bank is funding the grid intensification through the Energy for Rural Transformation (ERT) III.

According to information from a World Bank document, ERT III is to increase access to electricity in rural areas, which is currently at 7 per cent.

The Bank intends to increase access through grid extension, grid intensification, household connections from existing lines, and implementation support for on-grid energy access.

The programme will also increase the installation of solar photovoltaic systems for public institutions in rural areas.

ERT III started in 2015 and will run until 2020.

To implement it, Uganda got a loan of \$168.2m (Shs601.8b) from the bank.

The *Daily Monitor* could not immediately establish what the interest rate for the loan is and the tenor.

The Energy ministry, through the Rural Electrification Agency (REA), is implementing the programme.

Umeme's stakeholder manager Stephen Ilungole, said Umeme and REA will have to sign a Memorandum of Understanding (MoU) to effect the arrangement.

"Umeme is a private company being single sourced by REA to carry out electricity access connections under ERT III," Mr Ilungole said yesterday.

"The programme is for the whole country but will be done in phases for the next four years," he added.

Umeme is Uganda major distributor of electricity. It has at least one million customers. Most of them are domestic consumers.

## PROJECT DETAILS

**Breakdown.** The Shs72b will finance the extension of the electricity distribution lines to yet to be identified densely populated areas that are not connected to the national grid. It will also involve the installation of electrical transformers in trading centres. The Umeme managing director, Mr Selestino Babungi, said the World Bank is funding the grid intensification through the Energy for Rural Transformation III.