

Railways workers not paid for three months

By Taddeo Bwambale

Hundreds of employees of the Rift Valley Railways (RVR) say they have not been paid their salaries for the last three months, resurrecting questions over its operations.

The company, which employs over 500 people, has recently suffered setbacks in its concession to run a century-old metre-gauge railway network linking Uganda to Kenya.

When *New Vision* visited the RVR headquarters in Kampala on Thursday, there was no activity as the offices were closed.

RVR is a joint consortium that was established to manage the parastatal railways of Kenya and Uganda. In Uganda, the concession began in January 2006 and was planned to last 25 years.

In October, finance minister Matia Kasaija issued a 90-day notice to RVR, notifying it of Uganda's intention to terminate its concession.

In his notice, the minister accused RVR of falling short on freight volume targets and failure to rehabilitate and operate the Pakwach line and other assets leased to it, among other concerns.

Citing breach of contract,

the Government faulted RVR for causing a loss of \$784.4m (sh2.824 trillion) and failing to remit \$8.5m (sh30.6b) in concession fees. However, RVR secured a High Court injunction to stop the termination of its concession, insisting on arbitration with the Government over the terms of agreement.

Earlier in July 2017, Kenya terminated the concessionaire's 25-year contract over similar concerns and its operations have since reverted to the Kenya Railways Corporation.

As a result, the bulk of locomotives and wagons, which should be transporting goods and people are parked in Kenya. Local producers who initially relied on the railway line for transportation of merchandise have now turned to road transport.

Workers' salary

The termination of the concession in Kenya has left workers, especially those in Uganda, uncertain about their employment and outstanding benefits that RVR owes them.

The National Organisation of Trade Unions of Uganda (NOTU) said it was engaging the concessionaire and the Government over the workers'



A woman disembarks from a Rift Valley Railways train in 2009

salary arrears.

"We are engaging RVR in Nairobi and the Ministry of Works and Transport to ensure that workers' salaries are paid," Usher Owere, the chairperson of NOTU, told *New Vision* yesterday.

According to Owere, although the concession was jointly granted by Kenya and Uganda, much of the decision-making process was done in Kenya.

When contacted, Joram Nyanzi, the former general manager of RVR, said: "I have also not been paid and I took

them to court."

Nyanzi, who left the job about three months ago, said court has since allowed the two parties to negotiate an amicable settlement.

New Vision has also learnt that the concessionaire met government officials last week, in an attempt to save its contract, saying they would settle the outstanding workers' salary arrears and resume operations.

New Vision was unable to reach the management of RVR as its offices were closed. The transport minister, Monica

Azuba and the state minister for finance, Evelyn Anite, had not yet responded to requests for comment on the matter.

Workers' MP, Agnes Kunihira, also a member of the Uganda Railway Workers' Union, said the union had already engaged RVR to pay the workers' benefits and salary arrears.

"We negotiated the payment of workers' savings, which have since been cleared. The bigger problem is that the Government has not taken a strong stand against the concessionaire," Kunihira told *New Vision*.

She insists the Government has sufficient grounds to terminate the concession, like it was done in Kenya, citing its investment plan and the fact that RVR had changed hands many times.

"They do not own anything. Even if you go to court, you cannot attach anything that belongs to them. If this was a joint concession and one country pulls out, why are we still there?" she asked.

In recent media interviews, officials from Qalaa Holdings, formerly Citadel, a venture capital firm that holds a major stake in the RVR, has blamed both Kenya and Uganda for frustrating their operations.

The concessionaire also blames vandalism of assets in both countries for stalling efforts to rehabilitate the expansive railway line.

The Kenya-Uganda railway measuring about 1,600km was initially run by the East African Railways and Harbour Corporation from 1948, until 1977 when the first East African Community collapsed.

Subsequently, both Uganda and Kenya managed their respective railway networks through their respective bodies — the Uganda Railways Corporation and the Kenya Railways Corporation.