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THURSDAY, JULY 20

Weather Forecast

Today. Chance of rain. **High: 24C Low: 18C**

Tomorrow. Chance of rain. **High: 26C Low: 18C**

Qatar takes over $1.9b Ayago power project

Welcome. Finance minister Matia Kasaija (centre) shakes hands with Qatar investor, Dr Hamad Saad (2nd left) after meeting in Kampala on Monday. Looking on is Privatisation and Investment minister Evelyn Anite (left), Mr Fahadi Ali from Qatar (2nd right) and Uganda's Ambassador to the Gulf countries, Dr Rashid Yahya Ssemuddu. PHOTO BY STEPHEN WANDERA

Deal. Govt has cleared Qatar government to build Ayago Hydropower dam on River Nile in a bid to fast-track developments in the country.

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KAMPALA. The government, with the blessing of President Museveni, has cleared Qatar government to build the $1.9b (about Shs6.8 trillion) 840-MW Ayago Hydropower dam on River Nile in a bid to fast-track developments in the country.

The President, according to sources, met the visiting Qatari delegation at State House Entebbe on Tuesday where the decision was made.

Privatisation and Investment minister Evelyn Anite who is also leading the Uganda-Qatar coordination team, yesterday confirmed the deal but declined to provide the specifics.

"Qatar government has agreed to build Ayago dam in Nwoya and Kiryandongo districts and soon they are going to send a team of experts here (Uganda) to carry out feasibility studies of the project," Ms Anite said.

"The team met the President and he gave them a go ahead. These are not quack investors; they are serious people and they are ready to invest in our country. The Qatar government has the capacity to deliver in line with President's promises under *Kisanja Hakuna Mchezo*. We want to reduce the cost of power, create jobs for the young people and industrialise our country."

In an exclusive interview with the *Daily Monitor* last evening, Mr Fahad Al-Kuwari, a representative from the Energy ministry of Qatar government also confirmed the Ayago power deal and without giving time lines promised to expedite the project.

"We are going to invest in Ayago project as part of our partnership with Uganda government," Mr Al-Kuwari said.

"It's a partnership based on mutual cooperation and handshake. This project is our priority and our team is going to study it. We will try to shake hands as soon as possible and we are optimistic that the project is going to succeed," he added.

Uganda's Ambassador to the Gulf countries, Dr Rashid Yahya Ssemuddu, who heads Uganda's Mission in Riyadh, said the two countries reviewed bilateral relations and discussed aspects of joint cooperation, especially in economic, trade and investments.

> "We have a surplus of electricity and we are building more dams as you know. Our plan is to build more and more dams, not only on all the sites on the Nile River (Ayago-840MW, Oriang-392MW, Uhuru-400MW, Kiba- 300MW etc.) but also to develop over 40 mini-hydro dams. Mini hydro-dams already under construction include: Nyagak III (5.4MW), Nyamwamba (9MW), Muvumba (5.4MW), Achwa/Agago (83MW), etc,"
> PRESIDENT MUSEVENI

Although government is building hydropower dams, the President last year listed two challenges; the high price of electricity per unit on account of the high cost of money used in building some dams and the need to build more transmission wires (lines) so that the electricity gets where it is required.

According to Uganda Electricity Generation Company Limited (UEGCL), Ayago Power Station is located at Ayago on the Victoria Nile, in Nwoya and Kiryadongo districts. The dam is to be constructed on the Victoria Nile, but upstream of Murchison Falls National Park on the River Nile. UEGCL was chosen by the Ministry of Energy and Mineral Development as the implementing agency for this project on behalf of the government of Uganda.

Although UEGCL officials were not available to explain the new deal, *Daily Monitor* reported in 2013 that the same project had been "snatched" from a Turkish company and given to a Chinese firm, China Gezhouba Group.

The allocation at the time came against the backdrop of Japan's International Cooperation Agency (JICA) pulling out of studies that would have helped establish the feasibility of Ayago power project. It's not clear whether the Chinese have also pulled out to pave way for Qatar investment in the project.

President Museveni visited Qatar in April and met Qatari prime minister Sheikh Abdullah bin Nasser bin Khalifa Al-Thani in Doha. He also nominated Ms Anite to work with her counterpart in Doha, Sheikh Ahmed bin Jassim Al Thani, to speed up investment projects in the country. The minister visited Doha in May and invited Qatari government team to Uganda.

One of Qatar's richest men, Sheikh Faisal Bin Qassim Al Thani and other top businessmen in the Gulf, have since expressed interest in helping government revive the defunct Uganda Airlines, a national carrier that collapsed nearly two decades ago.

Earlier in the week, the Minister of Finance, Mr Matia Kasaija, while pitching the energy sector to the Qatari delegation, described it as strategic sector that will be rewarding to both the investor, in this case the Qatari government, and the economy.

He said: "The cost of power must come down to $ 5 cents. Already, our people, especially the manufacturers and industrialists, are grappling with the high cost of power. And we will do anything to ensure that we solve the problem of high cost of power."

In the meeting with the high-level Qatari investment delegation, it also emerged that the government needed an investor who would loan it money at cheaper rate with longer repayment period of between 15 to 20 years.