Business Daily

POWER

Uganda pushes for Shs937b Tanzania electricity link

UETCL advances the 400kV Uganda–Tanzania interconnection, strengthening regional power trade, grid stability and cooperation.

Power export. |

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With electricity exports rising and new procurement rules in place, Uganda is positioning itself as both a reliable power supplier to Tanzania and a regional leader in development-financed energy infrastructure.

Uganda Electricity Transmission Company Limited (UETCL) is ramping up engagement with engineers and private sector stakeholders ahead of the procurement phase of the 400kV Uganda–Tanzania Interconnection Project (UTIP), one of East Africa's most strategic power initiatives.

Speaking at a market engagement meeting in Kampala, UETCL Chief Executive Officer Eng Richard Matsiko said the importance of early collaboration of "this engagement prepares contractors, clients, and other stakeholders to visualize expectations and potential challenges, allowing us to plan more effectively".

UTIP will involve the construction of a 257-kilometre 400kV transmission line, designed to enhance grid stability, boost cross-border power trade, and deepen regional integration between Uganda and Tanzania.

The project is estimated to cost $250m (Shs937.5b), funded by the World Bank.

Matsiko said previous large-scale projects in the region suffered delays due to inadequate feasibility studies, with "unexpected soil conditions and design overruns" resulting in wasted time and resources.

"By engaging contractors early, we expect better efficiency and smoother execution," noting that the project is not just a transmission line but a critical asset for regional integration, supporting the goals of the East African Power Pool.

Under the East African Power Pool, more than 12 countries have been working on a plan in which countries with surplus power can put it up for sale through an auction.

The UTIP will be implemented in three main lots, including the construction of a 400kV double-circuit overhead transmission line from Wobulenzi to Masaka (165.1 km), construction of another 400kV double-circuit line from Masaka to Mutukula (92 km), and the development of a new 2×250MVA, 400/220/33kV substation in Masaka, alongside the extension of the Wobulenzi substation to accommodate two additional 400kV line bays.



UETCL accelerates plans for the 400kV Uganda–Tanzania power interconnection, boosting regional electricity trade, grid stability, climate resilience, and cross-border cooperation under new World Bank procurement rules. PHOTO / FILE

The project is part of a high-voltage transmission backbone around Lake Victoria to improve reliability and supply security through interconnected national grids.

UTIP also aligns with Uganda's Vision 2040 and the Energy Policy 2023, which prioritize electricity access to drive industrial competitiveness.

"This initiative symbolizes a new era of regional cooperation and robust energy infrastructure, paving the way for an interconnected future," Matsiko said.

Speaking on the sidelines of the meeting, Mr Cheng Feng, the project manager for the Kampala Metropolitan Transmission System Improvement Project, said early engagement is critical for identifying risks before construction begins, while UETCL's head of procurement, Vincent Okurut, noted that involving contractors early seeks to avoid costly implementation issues.

"If details are overlooked, we may encounter challenges such as varying soil conditions or missing designs, leading to wasted time, resources, and money," he said.

The engagement follows updates to the World Bank Procurement Regulations for IPF Borrowers (Seventh Edition, September 2025), which introduce stricter requirements for large international contracts valued at $10m or more. The regulations require mandatory Early Market Engagement to align expectations before bidding begins.

Bidders are also required to allocate at least 30 percent of total labor costs to local hires and submit a detailed Local Labor Method Statement.

"This is a mandatory requirement and will be assessed during both preliminary and rated evaluations," Eng Daniel Kisira, the UETCL head of project implementation, said.

The regulations also emphasize strong key personnel and expert teams, with to improve transparency, efficiency, and local capacity building.

"By mandating early engagement and local hiring, Uganda and its partners aim to reduce implementation risks and maximize the socio-economic benefits of cross-border infrastructure investments," Kisira noted.

Electricity Regulatory Authority (ERA) data shows Uganda's electricity exports to Tanzania have increased sevenfold over the past 20 years.

Currently, power is transmitted via a 132kV line connecting Uganda's Masaka West substation to the Kyaka substation in Tanzania's Kagera region.

The two countries also jointly operate the 14MW Kikagati Hydropower Plant on River Kagera, highlighting deepening energy cooperation.

The 400kV Uganda–Tanzania Interconnection Project is expected to build on this foundation, reinforcing shared ambitions for long-term energy security and regional development.

Key figures

400kV

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$250m

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