

## Access to Electricity: Failed Government Programmes

The two projects listed here have only achieved 7% of the planned electrification, according to the Ministry of Energy.

In November 2020, Government borrowed a further US\$ 492.00 million from the World Bank for electrification under the **Uganda Electricity Access Scale-up Project (EASP)**

### The Rural Electrification Programme, 2006+

Rural Electrification is the responsibility of the Rural Electrification Agency (REA). Under the RE programme Government subsidised connections for poor households. Progress has been slow.

- Between 2006/07 and 2009/10, 155,000 rural connections were planned but only 46,000 were achieved, performance of just thirty percent.<sup>1</sup>
- By 2017/18, only fifty-one percent of the 240,000 planned last mile connections had been made. 116,213 homes were not connected<sup>2</sup>. Bottlenecks included the usual lack of cash releases from the government, lax management and what looks like corruption.
- Apart from Umeme, Licenced Distribution Companies were unable to connect more than fifty-three percent of the planned connections. The way those connections were identified is questionable because the contract awareness consultant defaulted. Despite the default, the Rural Electrification Agency advanced the consultant nearly half the agreed fees.
- The REA also failed to collect lease rentals owed by another consultant amounting to Shs. 3,405,000,000.

## Power Generation and Supply Power III<sup>3</sup>

**Cost:** US\$320.5 million

**Funding:** Loan: US\$ 153 million, Co-financing: US\$153 million.

**Partners:** Africa Development Bank, Danida, European Investment Bank, NDF, Norad and NTC.

**Objective:** To provide “least-cost capacity additions to Uganda’s power generation”. The objective was not met owing to unsatisfactory performance by both the borrower and the lender. Faults included failure to make sure the lead contractor had the requisite qualifications and inadequate supervision. Consequent remedies made Uganda’s electricity tariff one of the most expensive in the world. The following is the World Bank’s own assessment of the project outcome:

➤ *Project Performance*

Outcome: Overall demand has continued to outstrip supply. Only one out of 3 objectives was met.

Rating given by Inspection Panel: Unsatisfactory.

Bank and borrower performance: Unsatisfactory.

Sustainability: Unlikely.

**Partners:** Africa Development Bank, Danida, European Investment Bank, NDF, Norad and NTC. Objective: To provide “least-cost capacity additions to Uganda’s power generation”.

<sup>1</sup> VALUE FOR MONEY AUDIT REPORT ON IMPLEMENTATION OF RURAL ELECTRIFICATION PROGRAMME BY THE RURAL ELECTRIFICATION AGENCY, Auditor General 2011.

<sup>2</sup> REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE RURAL ELECTRIFICATION AGENCY FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2018

<sup>3</sup> Implementation Completion Report, World Bank, Project ID Number: P002929, Report Date: December 3, 2002