

UGANDA



Clean, Sustainable Hydropower for Uganda

Executive Summary

Uganda's economy, like others in Africa, has been constrained by inadequate electricity supplies. Until recently, average load-shedding in Uganda was 12 hours per day. The load-shedding undermined the competitiveness of Uganda's economy by stifling industrial growth, constraining the growth of employment and hampering the government's poverty reduction efforts.

It is within this context that the Aga Khan Fund for Economic Development (AKFED), Sithe Global (a company majority-owned by investors of Blackstone) and the Government of Uganda created the Bujagali power plant. The plant, which currently meets nearly 50 percent of the country's energy needs, is currently capable of meeting both the system's suppressed demand and organic growth.

Powering Economic Growth

Bujagali Energy Limited (BEL) has built the 250 MW Bujagali hydropower plant. It will own and operate the plant under a 30-year concession before transferring the plant to the Government of Uganda for US\$1.00.

The US\$ 900 million investment, which has doubled the country's effective generation capacity, has not only replaced expensive thermal generation (100MW), but has also eliminated the country's existing capacity deficit (about 170MW).

Bujagali has five turbines, each of which generates 50MW, for a total of 250 MW. The first unit was commissioned in February 2012. The plant was fully operational in June 2012.

Load-shedding has been eliminated. Homes, hospitals, schools and businesses which previously relied on generators now can rely on power from

Bujagali. Opportunities for new business have increased as energy has become more reliable and existing businesses have extended their opening hours. Institutions which did not have generators are now able to function.

Environmental Programme

On 29 December 2011, the project was formally registered at the UNFCCC under the Kyoto Protocol. Bujagali is expected to generate an estimated 900,000 Certified Emissions Reductions (CERs) per year (each CER offsets one tonne of carbon emissions) making it one of the largest Clean Development Mechanism (CDM) projects in Africa and in any Least Developed Country (LCD).

With the full commissioning of the plant, the proportion of Uganda's electricity generated from renewable resources rose to 90 percent, according to Uganda's Electricity Regulatory Authority, making the grid one of the clean-



BEL has committed to spending US\$ 2.8 million on projects ranging from education to water and sanitation, reforestation to rural electrification, including the construction of this school.



Partners

Government of Uganda
Aga Khan Fund for Economic Development/
Industrial Promotion Services
Blackstone/
Sithe Global
Jubilee Insurance

Lenders

ABSA Capital
African Development Bank (AfDB)
Agence Française de Développement (AFD)
Barclays
DEG
European Investment Bank (EIB)
KfW
Netherlands Development Finance Company
PROPARCO
Standard Chartered Bank
The World Bank Group
International Finance Corporation (IFC)
MIGA

Cover Photo: The Bujagali hydropower project, which became fully operational in 2012.

For more information

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est in the world. In order to minimize the plant's impact, several exhaustive environmental surveys were conducted before construction began in accordance with international and Ugandan standards and best practices. In addition, because the heavy fuel oil for these thermal units was transported by a continual convoy of trucks from Mombasa, a distance of over 1000 km, the reduction in truck traffic has also led to further carbon emission reductions.

Tourism Development

BEL is working with the Ugandan government and tour operators to develop additional tourist facilities in the downstream Kalagala Falls area. The lake that has formed behind the dam has also created new leisure and tourism activities, including popular sunset cruises.

Social Programmes

The Bujagali project includes a comprehensive social programme that seeks to improve the livelihoods of local communities.

BEL is committed to spending US\$ 2.8 million on projects ranging from environmental conservation to health, from water and sanitation to education, agriculture to income-raising programmes, reforestation to rural electrification.

In partnership with the National Water

and Sewerage Corporation (NWSC), for example, BEL has started a UG shilling 2.2 billion (US\$ 850,000) water project that will provide piped water to nine villages.

When completed, the system will comprise of over 36 kilometres of water distribution pipes and service lines, as well as a pumping station and a large reservoir tank. Financed by BEL under an Agence Française de Développement (AFD) concessionary loan, the water project is expected to greatly improve health and sanitation for the residents of Kikumbamutwe, Malindi, Naminya Kiira, Buloba and Naminya Resettlement in Buikwe District and Namizi West, Kyabirwa, Bujagali and Ivunamba in Jinja District.

Programmes include training in animal husbandry and agricultural productivity. The construction and upgrading of medical clinics, including provisions for new medical equipment, have been accompanied by other health-related programmes, including high-efficiency stoves, household hygiene measures and the extension of piped water supplies. The construction and equipping of new secondary and nursery schools has been accompanied by adult education and vocational training.

For More Information

<http://www.bujagali-energy.com/>

