

**FIRST ANNUAL REGULATORY
CONFERENCE FOR THE GLOBAL
REGULATORY NETWORK.**



UGANDA UPDATES & ISSUES

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Key Events And Activities in Uganda's Electricity Reform Process (2000-2003)

- ❑ June 2000, (ERA) established under the Electricity Act 6 of 1999.
- ❑ Electricity Act forms basis of industry reform, the regulatory framework in particular.
- ❑ The Act (Sect. 5) establishes an independent regulator for electricity.
- ❑ Act provided for the unbundling hitherto the state vertically integrated Electricity provider.
- ❑ April 2001, Creation of the three separate companies:
(1) Generation (2) Transmission (3) Distribution

Highlights of Restructuring the Power Sector.

- Liberation and competition introduced in generation and distribution sectors of the market.
- Government retain transmission for the medium term.
- Act provides for the private sector participation:
 - 1. concessioning of existing Generation & Distribution companies
 - 2. license of independent Power producers. (IPPs)

Current Status of Competition and Related Issues.

- ❑ Have concessioned off generation to Eskom (U) Ltd.
- ❑ Negotiations for concessioning off the electricity distribution company (UEDCL) are at an advanced stage.
- ❑ IPP's: Bujagali licensed (A.E.S, Nile-Power), negotiations being concluded for establishment of a 200 MW hydro-power Project.
- ❑ Licensed two small plants; Kasese cobalt & Kilembe Mines Ltd.

Rural Electrification

Act provides:

- ❑ Set up a Rural electrification Fund (REF) and Board to address access of to electricity by rural areas.
- ❑ Four companies have been given permission to develop feasibility studies for Electrification projects.
- ❑ April 2003 licensed 1st Rural electrification project - West Nile, Northern Uganda.
- ❑ Coming up is a Kakira Sugar Works Co-generation Project

Tariffs

- ❑ Uganda has adopted a tariff based on full cost recovery.
- ❑ Aim at providing customer with fair and reasonable tariff but consistent with maintenance of a financially and operationally secure supply system.
- ❑ To encourage efficiency and effectiveness using financial incentives/penalties rather than political expediency.

Conclusion:

- Within the 3 year period Uganda has moved quite a long way in the Electricity Sector reform and compares favourably with other countries in the region.

Grand Aim:

Increased access to electricity as a strategy to economic development and poverty alleviation.