

PROJECT PROFILE

<u>Sector</u>	Mining & Energy
<u>Sub-sector</u>	Energy
<u>Code</u>	ME 04(A) [formerly ME19(N)]
<u>Title</u>	Power III
<u>Implementing Agency</u>	Uganda Electricity Board/Ministry of Energy and Minerals
<u>Location</u>	Countrywide
<u>Total Plan Expenditure</u>	US\$ 8.04m
<u>Funds Secured</u>	US\$ 8.04m
<u>Total Funding Gap</u>	Nil
<u>Starting Date</u>	1993
<u>Completion Date</u>	2002

Background

As with other areas of economic infrastructure, the UEB generation, transmission and distribution system suffered from severe lack of maintenance between 1971 - 86 and fell into a state of acute disrepair. As a result UEB has been unable to satisfy the country's needs for reliable power: generation in 1988 was below the level of 1970.

Under the general exercise of civil service reform, the Ministry of Natural Resources has been restructured and a Department of Energy has been established with mandate over all energy resources. The Department is expected to play key role in formulating energy policies and strategies. Already Government has announced a policy of liberalisation of the power generation whereby the private sector can participate.

This project is intended to fund the construction of the Owen Falls Extension along with other essential investments in transmission, distribution, institutional support to UEB and various studies.

Objective

To enable UEB to meet the growing demand for electricity and to provide reliable power to its consumers at least cost.

Performance Indicators:

- Engineers progress report.
- Staff trained under the ministry
- Procurements, (vehicles, computers under the Ministry)

Technical Description

The UEB component of the project, comprises the following:

- construction of a 200 MW extension to the Owen Falls Station (with an initial installed capacity of two 40 MW units, this has now been extended to cover installation of a third 40 MW unit);
- institutional strengthening of UEB, including training, technical assistance and a twinning arrangement with an overseas utility;
- strengthening the dam at Owen Falls; and
- rehabilitation of 33kv and 11kv lines.

The MNR component of the project comprises the following:

- (a) formulation of a new Electricity Law which accommodates private sector participation;
- (b) monitoring of petroleum product supplies and trade;
- (c) promotion of improved and more efficient Renewable Energy Technologies;
- (d) provision of equipment, vehicles and staff training for capacity building.

Feasibility Study

Acres International carried out a Feasibility Study of Owen Falls Extension in May 1990. Their report demonstrates that:

- there is an urgent need for additional generating capacity by the mid 1990s;
- Owen Falls Extension is both the most economic scheme and the only one that can be constructed in time;
- MW (5 x 40 MW) is the potential installed capacity; and that
- the project has an estimated economic rate of return of 17.2%.