

**NATIONAL ASSOCIATION OF PROFESSIONAL
ENVIRONMENTALISTS (NAPE)**

PRESS STATEMENT

**LASHING OUT AT NGOs WILL NOT BRING ELECTRICITY TO
UGANDA: RESPONSE TO THE MINISTER OF ENERGY AND
MINERAL DEVELOPMENT, HON. SYDA N.M. BBUMBA'S
ARTICLE TITLED"**

*"Response to Article attributed to Col. (RTD) Dr. Kiiza Besigye which
appeared in the Sunday Monitor and Sunday Vision November 18th 2004*

Date: 17th December 2004.

The National Association of Professional Environmentalists (NAPE) has critically studied, analyzed and reflected on the Minister of Energy and Mineral Development, Hon. Syda Bbumba's statement, which appeared in the Sunday Monitor and Sunday Vision of November 18, 2004. We note that the article by the Minister mentions NAPE, Save Bujagali Crusade (SBC) and International Rivers Network (IRN) as civic groups, which fought tooth and nail to ensure that the Bujagali project did not take place. She claimed that the organizations were not as professional as their names suggest.

Quoting the discredited Environmental Impact Assessment (EIA) by AES Nile Power and the action by the National Environment Management Authority (NEMA) to clear the project based on this EIA, the Minister further implied that NAPE, SBC and IRN are more or less continuing to oppose the project illegally by writing numerous letters to the funders of the project. To justify the project further, she quotes Sabastian Mallaby who in his new book, "The World's Banker", claims that an environmental catastrophe would befall Uganda if the Bujagali project were not built.

In her conclusion, the Minister says "the local environmental NGOs instead of blocking projects, which will benefit the nation, should lobby their financiers to avail financial resources for developing alternative sources of energy."

Of great concern to NAPE is that, just like Sabastian Mallaby's book, which Hon. Bbumba quotes, the minister's article contains a number of falsehoods and misstatements on the energy sector in Uganda in general and the Bujagali Dam Project in Particular.

NAPE wishes to respond to the Minister's article in the various print media as follows:

- 1. The Environmental Impact Assessment (EIA) for Bujagali**

We want once again to put it clear that the EIA for the Bujagali Dam Project had a number of inadequacies, which we have pointed out repeatedly over the years. For reasons incomprehensible to others, Government chose to shield the investor (AES Nile Power) from competitive bidding for Bujagali and to corrupt the EIA process for the project thereof. It is clear that there was a lot of political interference in the EIA process.

NAPE is on record for having called upon Government way back in 1999 to carry out an immediate inquiry into what we believe was a corrupt process. Unfortunately, to-date we have never got a response. Therefore, NAPE, as a citizen group, continuing to raise “ignored” issues in the Bujagali dam process, is not only legitimate but also legal and constitutional. Citizens have a sovereign right to participate in development decision-making processes this way.

2. Better Alternatives to Bujagali Exist

We still believe that Bujagali is not the least-cost dam of the six large dams mentioned in the energy study done by Acres International; a Canadian energy firm with considerable interest in large dam based hydropower which was recently sanctioned by the World Bank for corruption and which the Minister Strategically avoided to mention in the entire article, yet Acres International was behind the EIA manipulations for the Bujagali project and the rush to build the ill-fated Kiira Dam (Owen Falls Extension Dam). Apparently there was no fall in the Lake level until this dam was commissioned. Karuma has been shown to be a less cost dam than Bujagali dam. On the other hand Uganda has other alternatives such as Geothermal, solar, small dams, etc which government has failed to prioritize. NAPE has done a lot to popularize these alternatives.

SPECIFIC MISSTATEMENTS IN HON. BBUMBA’S ARTICLE:

Let us now address our selves to the specific misstatements and misrepresentations in Hon. Bbumba’s article.

Economics

All ‘options assessments’ documents the Minister reffered to only examined hydropower projects. Geothermal was virtually not studied in any of the assessments leading up to Bujagali. NAPE also realizes that a lot of lies have been told concerning the Karuma project, which has been misrepresented in all documents leading up the development of the Bujagali Dam Project, particularly the Acres Report.

Hon. Bbumba downplayed corruption, yet AES themselves brought forward the corruption issue with the World Bank. There has been no finality in many of the investigations into that bribery. It is, therefore, a deception to say that the matter is closed. It is well known that corruption is one of the greatest challenges in large dam projects. In addition, Acres International, which made the energy master plan for Uganda,

explicitly put Bujagali Dam project as the least cost project of the six large dams proposed for construction in the Nile Valley, including Karuma. Acres in fact, inflated the cost of Karuma by twice as much, to make Bujagali appear cheaper. The firm has now been convicted of corruption in another African dam case in Lesotho, and was earlier this year debarred by the World Bank for 3 years.

The Minister says AES pulled out of the Bujagali Dam project because of lack of financing and that all financing of the project was just about to be finalized when it made the decision to do so. It is true that the World Bank had already approved it when AES put forth the corruption issues. However, NAPE wishes to inform the public that at that time, AES was near bankruptcy; an outfall from the Enron scandal. Part of the problem could, however, have been AES's own over extension into many countries.

Hon. Bbumba says, "Some Members of Parliament who were opposed to the project wrote letters of protest to the World Bank Group and also accused a senior politician of misconduct. This led to the halting of the project by the World Bank and a long investigation was initiated from January 2002 to June 2003 by the Inspection Panel of the World Bank, the US Department of Justice and the Uganda Inspector General of Government. The findings are yet to be made known to us by some of these agencies."

While NAPE cannot speak for the Members of Parliament (they have the capacity to respond to Hon. Bbumba's claim), Hon. Bbumba paid little attention to the Inspection Panel, but now seems to want to link it to the project being halted, by suggesting that the Panel's Report, which was published in May 2002 but hardly featured in statements by the Ministry of Energy until now, can be blamed for the problems in Uganda's energy sector. It is true that the Inspection Panel revealed that the Bujagali Project violated several safeguard policies of the World Bank. On corruption, we like the Ministry of Energy, are still waiting for the outcomes of the investigations mentioned by the Minister. NAPE's view is that Government should not waste time, energy and money avoiding to address corruption and other issues raised in the Inspection Panel report. Doing so will make the decision making process in the energy sector continue to lack credibility. Continuing to blame Civil Society will not solve the energy problems of Uganda.

When the Minister says in her conclusions that "The local environmental NGOs, instead of blocking projects, which will benefit the nation, should lobby their financiers to avail financial resources for developing alternative sources of energy," we are tempted to think that actually the Minister does not welcome any constructive criticism in the energy sector from concerned Ugandans regarding development projects that can have negative environmental and social-economic impacts. That notwithstanding, however, NAPE has already embarked on a process of getting alternative energy sources going, and we look forward to doing more in future to promote the development of these resources both at local and global levels. We can be partners with government to ensure that an energy policy that promotes alternatives is in place.

According to the Minister, the project cost for Bujagali was/is “US \$ 550 million for 250 MW results into US \$ 2.2 million per MW and not US \$ 2.9 million. The levelized bulk supply tariff (BST) for the project under AES was US cents 3.9 per Kwh.” NAPE is concerned that this is a distortion of facts and misinformation of the public. The record should be put right. The figure in the World Bank’s staff appraisal report was \$ 583 for 200 MW, which when worked out actually comes to US \$ 2.915 million per MW. If these are the records that the Ministry has, then AES and Hon. Bbumba’s Ministry connived to misinform the public about the true cost of the project. Logically the refusal by government to release the Power Purchase Agreement (PPA) for Bujagali had its foundation in this connivance. This would imply that Civil Society was correct to insist that everything was wrong with the Bujagali project. Apparently, the Inspection Panel found out that the cost of the power of electricity would in fact be US cents 10.5 per kWh. How many Ugandans would afford this?? And how exactly did Bumba arrive at a new cost of US \$ 350 million for the Buajgali dam?

We also note that probably the project being referred to in the article, which the Minister quotes, with a similar design in India that costs US \$ 1.2 million per MW is the Maheshwar Hydroelectric Power Project. The Maheshwar Hydroelectric Power Project, like the Bujagali Hydropower Project, was privately owned but has better costs than our very own, the Bujagali project. It, therefore, means that if the author used this dam for comparison with the Bujagali Dam, both of which are privately owned projects, then, she was comparing apples with apples. Therefore, there should have been no difference between the financial costs of the two projects.

The inflation of the cost of the Karuma dam by Acres International notwithstanding, the Hon, Minister gives an impression that the dam project is an expensive venture for the country yet her Ministry in different statements has informed Ugandans that the project will go on any way. We wish to reiterate our earlier position that the project has only been made expensive because of the craze for the Bujagali dam at the exclusion of other possibilities.

According to “Development Today” article entitled “Bujagali: Confidential report overprices competing Karuma Falls Project” (dated Fall 2003), “In the Acres report, the total cost of developing Karuma (200 megawatts) is US \$ 585 million, which is approximately US \$ 200 million more than the offer NORPAK gave to Uganda when presenting its Project Definition Report to the Ministry of Energy two years earlier. This report is a public document. According to project manager for the Karuma project, Harald Eie, Karuma is slightly more expensive than Buajgali, but can produce more electricity since the head is larger (28 metres compared to 22 metres). When comparing the so-called EPC (engineering, procurement and construction) cost per kWh produced annually, the Karuma project comes out better than Bujagali.” Why is the Minister ignoring all this vital information? We think the Karuma treachery raises serious ethical and moral issues that cannot be ignored.

On smallness and Credibility of NPAE

A little on the Mallabian Falsehood, which the Minister cited as being the bible truth and the cause of the problems in Uganda's energy sector. The Mallabian Falsehood sounds like a conspiracy between Government and the global dam lobby efforts, which for the last seven or so years Civil Society has cited as a road-block to progress in Uganda's energy sector.

One mistake Mallaby makes is to imagine that NAPE is a very small group and, therefore, insignificant. This "Mallabian" thinking is not a new phenomenon in development dynamics. NAPE expects more agents of this type of thinking as the dam/energy debate continues.

NAPE does not need numbers in order to be effective. Its development effectiveness, particularly in the area of water and energy, is there for every one to see. Despite NAPE's "smallness", many NGOs, institutions and individuals see the Association as a critical player and partner in the crusade for the sustainable development of the energy sector in Uganda. Our work is now so global and specific that we are more often than not called upon to participate in many initiatives in the water and energy sectors.

For example, NAPE is a member of the East African Community Organization for the Management of Lake Victoria Resources (ECOVIC), which is a regional environmental organization with over 100 organizations working on the management of Lake Victoria resources. The member organizations come from Tanzania, Kenya and Uganda, and we are the chair of the Uganda Chapter.

NAPE is a member of the Uganda NGO Forum, which has over 700 member organizations. NAPE also chairs the thematic committee on Integrated Fresh Water Resources (IFWR) of the Uganda Coalition for Sustainable Development, which includes over 100 organizations. We are on the Council of the Nile Basin Discourse [an organization for civil society parallel to the Nile Basin Initiatives; an inter-governmental group]. We are the Vice Chair of the Ugandan Discourse on the Nile. Along with the Minister of Energy, NAPE is the only Ugandan NGO that is a Member of the Dams and Development Project under United Nations Environmental Programme (UNEP). Recently NAPE was selected by well over 100 organizations, including the World Bank, Government departments of energy and water and the International Union for the Conservation of Nature (IUCN), to be the lead organization in spearheading efforts to adapt and adopt aspects of the World Commission on Dams (WCD) recommendations to the Ugandan reality. Is this a profile of a small NGO?

Lastly, NAPE is an environmental advocacy and lobby organization, which by virtue of its station in society speaks for many who cannot speak out on key issues in the energy and water sectors. Therefore, it must use the vocal codes of its members to do this effectively. If this is what the Minister refers to as "being vocal" then NAPE has no apology to make since it is only fulfilling its mission for which it exists. The Minister should also be told that NAPE knows very well the power of the pen and we have put it

to effective use. NAPE would hate to believe that the Minister has chosen to project herself as an agent to erode or remove Civil Society initiatives and participation in development in general and the energy sector decision making process in particular.

Conclusion

In conclusion, NAPE is not opposed to hydropower or large dams, but we work for balanced, people-centred development in the energy sector, evaluation of technologies, and the pursuit of the best options. We want all forms of energy to be given a chance and the public to be given the opportunity to participate fully in decision-making in the energy sector. Energy development should be for people's development, not for money-making as it seems to be at the moment. What we really need is honesty in development and NAPE is an agent of this.

NAPE is calling upon all Ugandans not to leave this Bujagali debate to itself and government alone. The issue of electricity concerns us all. Mistakes, omissions and commissions in the energy sector affect us all. We are all suffering the electricity black out. Together we rise or sink. What NAPE wishes to see is an energy sector in Uganda, in which democratic decision-making is cherished. This means involving all stakeholders in the decision making processes.

In our view, the backlash against NGOs will not solve the problems of the Bujagali Project. Neither will it fix the current problems causing load-shedding, nor will the behind closed-doors approach to energy development in Uganda.

NAPE is a respected group throughout the world, working on positive change in the energy sector and pressing for cleaner and cheaper alternatives. At the moment NAPE is working to bring all stakeholders into a collaborative discussion in dams and development (World Commission on Dams Recommendations) in Uganda. These efforts will improve decision making in the energy sector in Uganda. We believe we are playing a crucial role to strengthen government's social responsibility in the 21st Century.

FOR GOD AND MY COUNTY

Signed:

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