



**REMARKS BY THE MINISTER OF ENERGY AND MINERAL  
DEVELOPMENT DURING THE RE-TRANSFER CEREMONY OF THE  
NALUBAALE & KIIRA POWER STATIONS TO GOVERNMENT OF  
UGANDA BY ESKOM (U) LIMITED**

**27<sup>TH</sup> MARCH 2023**

The Minister of Finance, Planning and Economic Development

The Minister of State for Investment and Privatization

The South Africa's High Commissioner to Uganda

The Attorney General

The Board and Management of Eskom (U) Limited

The Ministry Technical team led by the Permanent Secretary

The Chief Executive Officer, Electricity Regulatory Authority

The Chief Executive Officer, Uganda Electricity Generation Company Limited

The Chief Executive Officer / Managing Director, Uganda Electricity Transmission Company Limited

Esteemed Colleagues from all Government Ministries and Agencies,

Distinguished Guests,

The Press

Ladies and Gentlemen,

1. On behalf of the Ministry of Energy and Mineral Development, allow me to welcome you all to this important function during which Eskom is transferring back the Nalubaale and Kiira Power Stations to GoU after having successfully operated these plants for over 20 years.

2. I wish to appreciate Eskom (U) Ltd for the warm welcome and thank you for maintaining the Complex in very good condition as we have all witnessed during the walk around the plant.
  
3. As you are all aware, the Ministry of Energy and Mineral Development represented by the Uganda Electricity Generation Company Limited (UEGCL) and Eskom (U) Limited, signed a Concession and Assignment Agreement (CAA) on 26<sup>th</sup> November 2002. Under this agreement, UEGCL as the asset owner of Nalubaale (180MW) and Kiira (200MW) hydropower complex assigned its rights and interests in the asset to Eskom (U) Ltd (EUL) for a period of 20 years starting from the 1<sup>st</sup> April 2003.
  
4. Kira/Nalubaale power plants contribute 380MW to the country's generation capacity currently at 1378.1 MW and it is expected that this will raise to 2,000 MW once Karuma is commissioned in the near future. The good news is that we have successfully tested one of the units and this is a good indicator that commissioning of the plant is imminent.

5. The current concession period will therefore naturally expire/terminate on 31<sup>st</sup> March 2023 pursuant to the provisions of the Concession and Assignment Agreement.
6. It is however required that before the end of the concession term, Eskom re-transfers the Complex to Uganda Electricity Generation Company Limited. The purpose of our visit here today is to officiate and witness the retransfer of the Complex back to the GoU.
7. In addition to the Concession and Assignment Agreement (CAA), the Government signed a Support Agreement dated 26<sup>th</sup> November 2002 relating to the Nalubaale and Kiira hydropower complex which provided for *inter alia* buy-out provisions at the termination of the CAA for a tenure of 20 years as provided for under Clause 2.1(a) of the Agreement which became effective on 1<sup>st</sup> April 2023.
8. Therefore, in order to facilitate the retransfer process and as per the Support Agreement, the Ministry of Energy and Mineral Development (MEMD) is undertaking an audit through the Office of the Auditor General (OAG) to help inform Government on any potential Buy-Out Amount if any at the end of the concession period.

9. The Audit of the final Buy-Out Amount is in its final stage and a stakeholders meeting was held on 16<sup>th</sup> March, 2023 to review the Nalubaale-Kiira Eskom Concession Audit report. GoU is ready to fulfil the outstanding obligations that will arise out of this audit.
10. We take note of the enormous investments that have been executed by Eskom on the Complex, some of which their Defects Liability Period will spill over into the Operations and Maintenance regime of UEGCL. Please ensure that arrangements are put in place to manage such aspects.
11. We also strongly believe that Eskom has built adequate local capacity that will be able to continue the proper operations and maintenance of the Complex under UEGCL as a mechanism to ensure smooth continuity of service.
12. I have been reliably informed that UEGCL has completed its recruitment process for the key staff who will take over the operations of the plant post the transfer date and I am happy to report that over 96% of the Eskom staff have been taken over by UEGCL at same and / or better employment terms than their current terms.

13. These staff shall remain a critical valuable resource to the proper operation of the Nalubaale and Kiira complex post re-transfer to UEGCL.
14. I therefore request Eskom to continue providing all the necessary cooperation and assistance to UEGCL during this transition period.
15. Finally, I would like once again to thank Eskom (U) Ltd for having kept the Complex in good condition all throughout the concession period and therefore call upon UEGCL to emulate this example and and keep the plant in the best working conditions for the rest of its lifespan given that it is a key security of power supply complex on the Grid.
16. With those few remarks, allow me to wish all of you a successful post transfer period.

**FOR GOD AND MY COUNTRY**