

BUJAGALI PROJECT NEWSLETTER QUARTER 1 - 2010

The Bujagali Hydropower Project (BHPP):

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

The BHPP is a 250-megawatt power-generating facility being built on the Victoria Nile River near the Town of Jinja, in Uganda, by Bujagali Energy Limited. It is sponsored by Industrial Promotion Services (Kenya) Limited and SG Bujagali Holdings Ltd, an affiliate of Sithe Global Power, LLC (USA).

Status as of 31 March 2010



Bujagali Energy Limited (BEL) has made significant progress in construction of the 250MW hydro power project.

Project Start: 26 June 2007

Commissioning: 3rd Qtr 2011

Progress:

- **Engineering: 91%**
- **Procurement: 99%**
- **Construction: 58%**

IMPLEMENTATION OF SOCIAL AND ENVIRONMENT ACTION PLANS (SEAPS)

This section of the newsletter highlights the progress on the

Social, Community Liaison, Environment interventions and activities for the period January to March 2010.

The newsletter will also be available in Luganda and Lusoga.

Enjoy your reading.

April 2010

Implementation of various components of the Social and Environmental Action Plans (SEAPS) continued during the first quarter (January-March) 2010. Significant progress has been registered in the implementation of the SEAPS and some of the tasks accomplished during the period included; the handover of the new 10-classroom block at Naminya RC Primary School, agricultural enhancement programme, community based health, HIV/AIDS programmes and implementation of soil erosion control along the riverbanks, among others.

BEL Commitments

BEL is committed to improving local social infrastructure including; improving water supply, education and health facilities, and support sustainable economic development as part of the Community Development Action Plan (CDAP). BEL carries out environmental measures that mitigate impacts on habitats and ecosystems, ground and surface water, fish stocks and fisheries, unplanned

but predictable developments such as influx of workers to the project area, disease vectors and tourism under EMMP.

Education

The 10-classroom block at Naminya RC Primary School was handed over to the school at a ceremony presided over by the State Minister for Education Hon. Constance Kamanda Bantaringaya. Furniture, including 200 desks were provided to Naminya R/C primary school and more will be provided in 2nd quarter.



Minister hands over of the completed 10-classroom block at Naminya RC Primary School witnessed by area Member of Parliament, District Chairperson and BEL Deputy Construction Manager

Landscaping for Naminya Nursery school is ongoing and installation of play equipment was completed and is in use by the nursery children. The equipment that was installed included a slide with metallic stand, swing (2-seater) fully coated with fibre glass and a canopy stand with nylon ropes and slides.

Vulnerable Assistance program

During the first quarter 2010, all the 310 vulnerable households received the energy saving stoves and by the end of the quarter, 79 stoves were already being used. In addition, BEL carried out an exercise to determine the kind of income generating activities that vulnerable persons could implement to improve their livelihoods. Of the 354 vulnerable persons only 216 expressed their interest to be assisted to undertake income generating activities.

Health

Jinja District delivered copies of architectural plans and BOQs for the planned construction and upgrade of Budondo HC1V. More effort and input of quantity surveyor is needed before procurement of contractors. Infrastructural upgrade of Wakisi HC111 and Budondo HC1V will commence after further modification of the BOQs and procurement of the contractors.

Water

Evaluation of the bids was completed; contract award to be done in June.

Business development

Micro credit

During March 2010, BEL received approvals to open an account with Uganda Finance Trust Microfinance. Signing of the MoU is expected to be done by the end of April 2010 and thereafter implementation of the Micro Credit Program.

Business centers

The MoUs between BEL and the sub-counties of Budondo and Wakisi Local Governments were signed. Renovation of buildings identified to house the business centers will begin early April 2010.

Market

BEL received and completed review of bids for market development. Construction works to commence as soon as final contract negotiations with the contractor are completed.

Agriculture

One of the lessons learned from the Phase 1 of the agriculture enhancement programme was to encourage farmer groups to own the enterprises and sustain them. During the quarter, 438 goats, including 17 boars were distributed to the various agricultural groups in the project affected area. For ownership and sustenance, the groups that received the goats had to contribute 10% of the value of the goats as their income is expected to have improved as a result of the various BEL supported enterprises the groups are involved in.



Distribution of goats to farmer groups from project affected villages

Besides ensuring ownership of the livestock program by the communities, community contribution was also a means and is part of the overall phased BEL strategy to prepare the farmers to actively manage their enterprises as BEL gradually exits from active involvement in the community development activities. The groups pay for drugs used to treat the livestock. Farmer groups also received beans and maize seeds.



Beans (K132) being distributed in the community

Community based health and HIV/AIDS Program

Village Health Teams (VHTs), with the support from BEL continued to play a key role in various health programs such as distribution of condoms, sensitizations in health and sanitation, monitoring, mobilizing the communities to attend health activities and distribution of first line treatment malarial drugs. During February 2010, BEL in partnership with AIDS Information Center (AIC) carried out a second round of HIV/AIDS Voluntary Counseling and Testing (VCT) in the 9 affected villages.

The follow up was meant to assess the trend of HIV/AIDS using the baseline data from the previous testing carried out in 2009 to improve on the service

delivery and mitigation measures already in place.

BEL has implemented HIV/AIDs control programs in the project affected villages.

HIV positive clients access ARVs and other related drugs in the four mobile centers run by The AIDS Support Organization (TASO) in an effort to reduce on the adherence to treatment due to the high transportation and other related costs incurred by the clients when they go to collect ARVs from TASO main centre. The drug distribution centers are found in Ivunamba, Budondo on the East Bank and; Malindi and Wakisi on the West Bank.

Skills Training for the Youth

Eighty seven (87) youths reported back to school during the first quarter 2010 for a second year at the Nile Vocational Institute. This is the final lot that is expected to complete in December 2010. Fifteen (15) out of the 53 youth that completed Basic Skills Training during the month of December 2009 have secured employment.

Community Based Training (CBT)

Forty two (42) community members completed their training in the construction of the energy saving stoves and these are to offer service to other community members in an effort to reduce on the environmental degradation and time spent by, especially, women in collecting firewood.

BEL is in the process of outsourcing a vocational and business training institution to implement the wider CBT

program. The courses will include: catering, hair dressing, tailoring, organic farming, etc.

Rural Electrification

The Rural Electrification Agency (REA) and BEL met in 1st quarter. BEL agreed to provide a concept detailing the planned rural electrification program; including budget estimates so that REA can discuss the issue with its board and include it in its budget.

Public Consultation and Disclosure included:

Resolution of Complaints

Several complaints were registered during the quarter. Below are the complaints and efforts undertaken to address them.

- Non-transparency in employment by the EPC Contractor: Active engagement is maintained with Salini Personnel and Public Relations office in respect to the grievances brought to the attention of BEL and ensuring compliance with the Labour Force Management Plan (LFMP). This has helped improve the implementation of the LFMP particularly related to hiring and dismissal of workers.
- Separate meetings were also held with the EPC contractor and the sub-contractors following up concerns of remuneration of their employees and both were urged to have an open information policy
- Complaints about blasting effects: Follow-up on blast complaints was made and Salini inspected the premises

of the complainants. Salini engaged services of independent monitors to assess the validity of the complaints.

- Poor state of the Njeru-Kayunga Road due to the increase in traffic. Salini continues to repair the potholes.

Meetings

Continued weekly consultations with Local Leaders on feedback from communities and addressing concerns raised by community members.

- Meetings with sub-contractors were held following up on continued concerns of remuneration of their employees and were further urged to enhance on the information disclosure to their employees.

Fisheries programme

Plans to construct fish landing sites on both the left and right river banks are underway. BEL team and the District Fisheries Officer visited one of the landing sites (Kiyindi landing site) under construction by the Ministry of Agriculture, Animal Husbandry and Fisheries to borrow a leaf of similar structures to be put up. The site is being constructed according to national standards using new national approved guidelines.

Flora and Fauna Management and Erosion Control

Implementation of soil erosion control programme in Kyabirwa village that started in December 2009 by Budondo Women Progressive Association is progressing well. The group

started with sensitization meetings for local community and identification of landowners whose land is adjacent to the riverbank.

The group, which employs youths from within the Project Affected villages started with 15 workers but because of the need to speed up work, its labor force was increased from 15 to 48 people. About 27,791 meters of trenches have been excavated on approximately 28ha piece of land out of the planned area of 40ha. The trenches measure 2ft deep (appr.60cm). The terraces are prepared with the black top soil waiting for stabilization when the rains come. Planting of maize and beans under the direct seeding mulch-based cropping system and minimum tillage was started.



Measuring soil erosion control bands within crop field

Tourism

Cultural centres

Consultations with the Buganda Kingdom took place at Bulange-Mengo to discuss proposed BEL support to the kingdom to establish a cultural centre at Kalagala. The Buganda Kingdom submitted a concept paper detailing the activities they propose to implement and it is being reviewed by BEL.

Launch/exit sites

The MoU between BEL and Adrift detailing tourism activities that Adrift will implement with BEL's support was finalised and will be signed in April. These include among others; Construction of Raft launch and takeout sites, Kalagala Fall's site improvement, set up of green house pathways and afforestation of islands.



NRE rafting takeout site under construction in Nazigo, Kayunga

Construction works at the Nazigo site for the takeout site by Nile Rivers Explorer is ongoing. The area has been fenced and landscaping done; including leveling and planting of trees and shrubs. Steel trusses completed onto which the iron sheets will be fastened.

Pontoon Boat for Bujagali Dam Reservoir

The pontoon boat is being procured for use on the reservoir as one measure to create new tourism business in the Bujagali area. It is expected to be delivered by June 2010.

Environment, Health, Safety

Riverbank Afforestation

Maintenance of the trees continued. Two hundred (200)

hectares of the total 444 planted are still under maintenance. Tree maintenance is undertaken by the local Ecosystem Management Committees. The trees are growing well. Maintenance will continue until July 2010.

Waste management

Non hazardous and hazardous waste continue to be generated at both the dam site and campsite. All hazardous wastes such as used oil and batteries, are strictly collected by authorized dealers with NEMA license to access, transport and store waste.

Visitors

The Social and Environment Panel of Experts visited the site and monitored a number of interventions under the social and environmental mitigation plans. Meetings with some communities were held to get feedback on the activities implemented by BEL. The experts also visited the BIP to look at the environmental aspects of the IP project.

The American State Department and the Resident Ambassador together with embassy staff visited the project site.



Bujagali Project Director showing the US ambassador around the site

BEL project sponsors AKFED/IPS as well visited the dam site. H.E the Vice President of Kenya Kalonzo Musyoka visited the dam site.



Kenyan VP tours Bujagali hydro power dam site

The Bujagali Monitoring Committee visited the site assess the extent to which BEL complies with the NEMA project approval conditions. Several meetings with stakeholders including the affected communities, Busoga Kingdom, former employees of Boschom, hydro site and T-line inspections and visit to Kalagala among others.

The World Bank team visited the dam site to assess progress in implementation of the Kalagala Sustainable Management Plan. A delegation from the German Government including DEG/FMO visited the site.

Norwegian Embassy officials visited the site too.

A team of the European Investment Bank Complaints office and Civil Society visited the site to follow up on complaints raised by NGOs and Affected People for the Hydro Power and Interconnection projects.

A team of Environmentalists from the African Region accompanied by NEMA visited the site to appraise themselves on environmental issues.

Planned activities for next quarter

- Monitor and hold sensitization meetings with encroachers on East Bank
 - Vocational Training Students at NVI on two year programme report for the Second year.
 - Students who have completed Basic Skills Training start apprenticeship
 - Outsource Training school for the rest of the CBT programme
 - CBT starts in communities
 - Training of 42 Agricultural Resource Persons
 - Distribution of livestock, beans and maize seeds
 - Voluntary Counseling and Testing in the communities
 - Distribute condoms on and off site
 - HIV positive clients start receiving treatment in community mobile clinics of Malindi, Naminya ,
 - Review and complete MoU between BEL and UFT
 - Renovate and equip 2 Business Centers
 - Needs assessment on the income generating activities for the vulnerable
 - Complete the Construction of Energy Saving stoves for 310 vulnerable households
 - Complete BMU registration of fishermen
 - Identification of 2 fish landing sites
 - Construction of market starts
 - Renovation of business centre premises starts
 - Health(upgrades) Review plans for Budondo and Wakisi Health Centers III and IV respectivel
- Complete construction works of Naminya R/C Primary School (landscaping)
 - Procure books for Naminya RC Primary School