

The Bujagali Hydropower Project (BHPP):

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

This newsletter highlights the progress on the Social, Community Liaison, Environment interventions and activities for the period April to June 2010.

The newsletter is also available in Luganda and Lusoga.

Enjoy your reading.
July 2010

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 30 June 2010



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

Project Start: 26 June 2007

Project Commissioning: third quarter 2011

Progress:

- **Engineering:** 99.7%
- **Procurement:** 99.5%
- **Construction:** 58%

IMPLEMENTATION OF SOCIAL AND ENVIRONMENT ACTION PLANS (SEAPS)

Implementation of various components of the Social and Environmental Action Plans (SEAPS) continued during the second quarter (April-June) 2010. The key activities undertaken during the period included the award of the contract for the water pipeline to the project affected villages, 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 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

Naminya RC Primary School

Landscaping at Naminya RC Primary School started and included leveling of the compound, planting of grass and trees.

The school has been given two more water tanks each 10,000 liter capacity, 200 desks and 500 text books.



Some of the text books delivered to Naminya Roman Catholic Primary School

Muyenga Nursery School

Landscaping of the nursery school compound and installation of play equipment was completed. The school now has 188 pupils.

Vulnerable Assistance program

Discussions were held with the officers in charge of Wakisi Health center III and Budondo Health Center IV regarding implementation of the mobile clinic activity for the vulnerable persons expected to be implemented in 3rd Quarter 2010.

However the officers in charge expressed concern on non

availability of all the necessary drugs. Acquisition of the drugs from the National Drug Agency is to be expedited before the start of exercise in July 2010.

In addition, BEL carried out an exercise to determine the kind of income generating activities vulnerable persons could implement to improve their livelihoods. Of the 354 vulnerable persons only 216 expressed interest in undertaking income generating activities. A higher percentage chose to be given local goats while others opted for local chicken and pigs.

Health

Infrastructure upgrade of Wakisi Health Centre (HC111) and Budondo HC1V still in planning stages; BOQs are currently being developed.

Water

An award letter was given to the successful contractor, Samadhura Technologies Ltd, construction works for the pipeline to the affected villages expected to commence during the 3rd quarter 2010.

Business development Micro credit

In May 2010, BEL signed a Memorandum of Understanding for management of the micro-finance fund with Uganda Finance Trust Microfinance. Village meetings were convened from the 3rd May to 12th May 2010 to introduce to the communities Uganda Finance Trust the micro-finance institution selected by BEL to manage the micro-credit fund.

This activity was followed by the formation of groups in the villages; assessment of applicants' credit worthiness and bank account opening. 19 groups totalling 284 members were formed and 150 accounts were opened by end of June 2010.



PAPs being briefed about micro credit programme

Agriculture

Poultry production

The 40 farmer groups that are engaged in poultry rearing reached the off laying stage. 18% have decided to continue with the enterprise by buying more chicks (layers and broilers) while 20% have switched to alternative enterprises such as livestock, passion fruit tree growing, starting a group revolving fund with a small interest fee. 40% are still in planning process of what enterprise they should invest in because they still have laying birds or have money on the group account while, 22% failed to continue with the enterprise.

Distribution of Fruit and timber trees

During the 2nd quarter 2010, BEL embarked on promoting environmental practices focusing on enhancement of tree planting and agro-forestry in communities

affected by the BHP project and among communities outside the 100m zone to ease pressure on the vegetation within the 100m zone.

In this regard, BEL distributed fruit (mangoes, avocado) and timber (Grivellia, Muzizi and Muvule) tree seedlings to the communities. Fruit tree growing is one of the livelihood enhancement projects that community members have persistently identified as one of the priority interventions.



Community members receive tree seedlings

Village meetings were organized and before distribution, communities were trained in tree management by the Forest Extension Worker. Areas of training included: size of pits, spacing, soil type requirements and general tree management.

Specifically, the programme targeted the following communities;

- 8 project affected villages (Naminya-Kiira, Buloba, Malindi and Kikubamutwe on the West Bank and Kyabirwa, Ivunamba, Bujagali and Namizi west on the East Bank)

Distribution of pigs to farmer groups from project affected villages

During the 2nd Quarter 2010, BEL completed the distribution of livestock for the Agriculture phase two program and a total number of 106 female pigs of 3-4 months land race type were distributed to 33 farmer groups in the 8 BHP affected villages



Farmer groups receive pigs for livelihood and income generation

Community based health and HIV/AIDS Program

Village Health Teams (VHTs) reorganized and facilitated by BEL continued to play a key role in various health programs such as distribution condoms, sensitizations in health and sanitation, monitoring, mobilizing the communities to attend health activities and distribution of first line treatment malarial drugs.

Ministry of Health embarked on a National hygiene and Sanitation campaign. Buloba village which is one of the project affected communities was selected to compete in the Central region hygiene and Sanitation competition expected to end in early July 2010.

Furthermore, under the HIV/AIDS management programme, 4 drug distribution points in the project affected villages were established and the clients receive ARVs from The AIDS Support Organization (TASO) on a monthly basis with the objective of reducing non-adherence to the treatment

regime due to high transportation costs and large number of clients at the main TASO centre. The distribution points in the affected communities are serving about 200 clients including persons outside the project affected communities.

Business centers

Renovation works for the buildings to accommodate the business centers was completed.

The procurement of the equipment (computers, fax machines, copiers and associated accessories and furniture) completed and the equipment will be delivered in the 3rd quarter 2010.



The Budondo Business Centre premises under renovation

Skills Training for the Youth

The 68 youths that are still undertaking training at NVI got their first term holidays during the 2nd quarter 2010 except for the Motor Vehicle Mechanics and Catering students who continued their four-month industrial training.

15 out of 53 youths that completed Basic Skills Training during the month of December 2009 secured employment in their areas of specialization such as tailoring, construction and Hair dressing.

Furthermore, a tracer study was initiated during the 2nd quarter 2010 to assess the outcome of the skills training program among the 53 youth who completed the training last year. The results will be reported in 3rd Quarter 2010.

Market

The Contract was awarded to Model Builders and construction of the market is progressing well, all the four structures are up and works expected to be completed on schedule.



The market under construction

Community Based Training (CBT)

BEL is still 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 etc.

Livelihood Restoration Monitoring Programme

During the 2nd Quarter 2010, BEL started the monitoring of the livelihood restoration of the physically and Economically Displaced Persons by first assessing their participation in the livelihood restoration (LR) programs.

Rural Electrification

Following the discussion between BEL and Rural Electrification Agency (REA), a concept note detailing the program was submitted to REA for consideration by its board and probable inclusion in its budget. BEL is still waiting for a response from REA.

Public Consultation and Disclosure included:

Resolution of Complaints

15 complaints were received during the Quarter as highlighted in the table below. All complaints were followed, feedback given to the complainants and still working with the responsible parties to minimize on the complaints that can be avoided.

- BEL continues to monitor the working conditions of Salini employees
- Continued liaison with UETCL regarding delayed compensation complaints
- Continued monitoring of EPC labor force management issues of Transmission line contractor

Meetings

- Continued weekly consultations held with Local Leaders on feedback from communities and addressing concerns raised by community members.
- Meeting with Buikwe District Leadership on project community interventions and feedback.
- Meeting with Wakisi sub-county leadership to share with them matters related to community development activities supported by BEL.

- Village meeting for the 5km quarry villages of Wakikoola and Kirugu held to discuss safety issues and address the security concerns of fuel thefts and other materials.
- Meeting with Busoga Kingdom together with Ministry of Energy and Mineral Development aimed at resolving the spiritual issues; especially completion of shrines at the spirit relocation site.

Flora and Fauna Management and Erosion Control

Soil erosion control structures were established on 40 ha land upstream of the dam in Kyabirwa village. The structures included terraces stabilized with calliandra trees and elephant grass. Mulching and minimum tillage practices were applied. Crops were grown between the established terraces to demonstrate to the community the crop productivity benefits associated with good agronomical practices.



Tomato bed ready for transplanting under soil erosion control programme

Fisheries Programme

One of the planned activities aimed at enhancing the livelihoods of fishermen in the project affected villages is the construction of 2 fish landing

sites, one on each side of the river. Suitable location for these facilities is being sought. Plans to conduct training for fishermen in, among others, fish data collection are also under way. The training will be conducted in July.

Biodiversity Monitoring

Following the call for bids for the Biodiversity monitoring on island to be inundated by the reservoir, interested companies responded to request for Proposal documents by 4th June, followed by a pre-bid meeting held on 14th June including a site visit to the islands where monitoring will take place. Bid Submission closed on 30th June 2010 and contract will be awarded following the review of bids in July 2010.

Tourism

Rafting Takeout site

NRE Rafting boat takeout structure in Nazigo, Kayunga District has been painted and water tank, kitchen and washroom fittings installed. BEL engineers due to certify completion.



Completed and painted rafting takeout structure for NRE

Pontoon Boat for Bujagali Dam Reservoir

MOU between BEL and Nile River Explorers rafting company was signed in January 2010, in which the two parties agreed to implement the procurement of an aluminium pontoon boat, BEL released funds for the procurement of the boat. Boat manufacture was complete by April 2010 and the boat has been shipped and is expected to arrive in July 2010.

Adrift MOU

BEL and Adrift Adventure Company identified a number of activities which could be undertaken in partnership as a means of promoting tourism downstream.

On 28 April 2010 BEL signed an MOU with Adrift for the implementation of tourism activities including; alternative raft launch and takeout sites, procurement of boats, afforestation and Kalagala Falls Site improvement among others. The afforestation has embarked upon.



Tree seedlings delivered for planting on the islands

Environment, Health and Safety Issues

Riverbank Afforestation

Maintenance of the trees planted along the river bank continued.

Two hundred (200) hectares were maintained as indicated in the table below. . Tree maintenance was undertaken by the local Ecosystem Management Committees with BEL's facilitation. This facilitation will end this quarter. The trees are growing well.

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 Lenders Group visited the site to assess progress of the various activities being undertaken ranging from construction to social and environmental mitigations. Other agencies that visited the site included: A team from the African Development Bank; the British Broadcasting Company (BBC); Ministry of Finance officials; Buikwe District Leadership; water policy committee from the Ministry of Water and Environment; a team from the Government of Sierra Leone-Energy Sector and a team from the World Bank.

Internship

BEL undertakes a deliberate program of offering internship opportunities to students pursuing studies in various disciplines to give them opportunity to gain practical skills. Nine students

undertook their internship, five in the Social and Environment and four under the Engineering section during the quarter.