

# Kalangala: Making connections for a brighter future



## Uganda

Kalangala  
Infrastructure Services

Bugala Island

- Water
- Marine transport
- Road
- Solar-diesel power
- US\$44m
- 35,000 people

### Context

Bugala Island, situated on Lake Victoria in Uganda's Kalangala District, has undergone a transformation over the past decade. Formerly one of Uganda's poorest districts, residents of Bugala Island lacked safe regular access to the mainland, reliable electricity and clean water. This constrained the growth of agriculture and fishing activities on the island and prevented the realisation of its tourism potential. In 2005, InfraCo Africa began to address these constraints and established an infrastructure company, Kalangala Infrastructure Services (KIS). Today, the island is thriving and Kalangala is among Uganda's wealthiest regions. KIS has played a major role in this transformation.

developer eleQtra, led the design and development of KIS. Working with the Ugandan government, InfraCo Africa negotiated a tolling scheme for the ferries and addressed the legal and regulatory challenges associated with establishing the first private mixed utility in Uganda. InfraCo Africa provided the capital funding needed to launch the first ferry ahead of financial close and so built confidence and engagement in the project. InfraCo Africa also designed an innovative project financing package which blended various financing and guarantee instruments and mobilised support from its sister PIDG facilities.

### Project

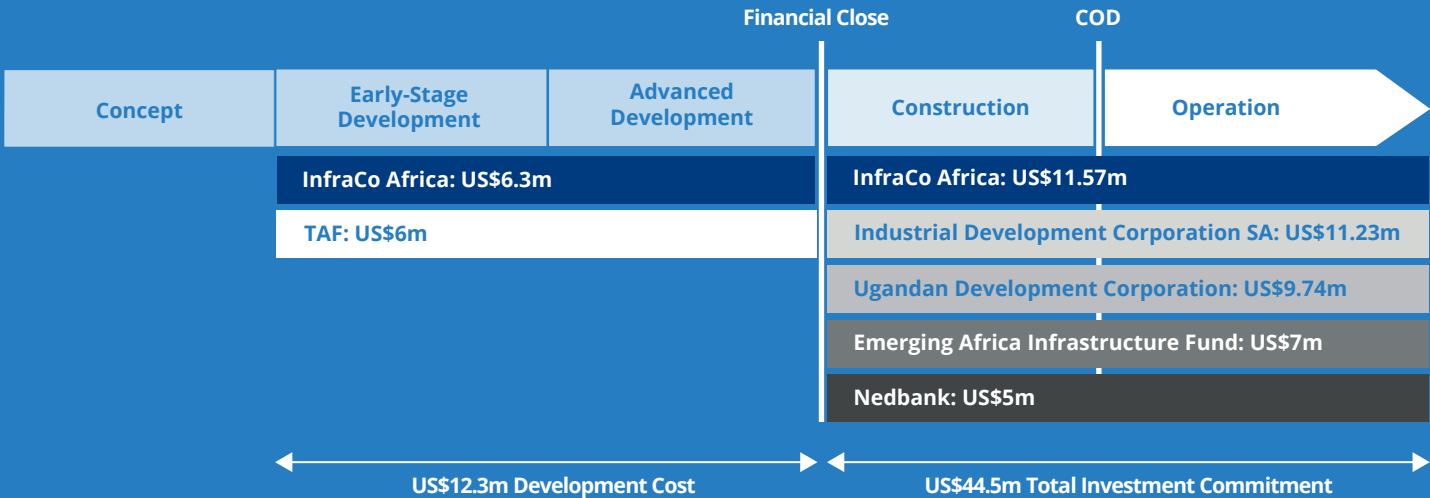
KIS is a pioneering mixed utility company that has responded to the complexity of Bugala Island's needs. KIS now operates two modern roll-on roll-off ferries and has upgraded the island's 66 kilometre main road. KIS has also installed solar-powered water filtration systems for seven villages and developed 1.6MW of hybrid solar-diesel power.

Today, all four components of the project are operational and KIS has defined an ambitious vision for the future. Solar power could be scaled-up by four fold and distribution and electrification expanded to 5,000 households over five years. Bulk water purification and distribution could be extended to cover other parts of the island. The Ugandan government are also discussing plans for KIS to refurbish and operate the Kalangala Town Council grid and to tarmac the main road.

In 2005, InfraCo Africa was asked to help refurbish and develop Bugala Island's infrastructure. The complexity inherent to multi-sector small-scale island infrastructure had previously deterred the private sector and required significant expertise to balance commercial viability and affordability. InfraCo Africa, through its principal

InfraCo Africa has maintained its interest in KIS and remains committed to its future development.

### Investment for Kalangala



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## Impact

The multi-sector nature of the project has enabled it to have a much larger impact on living standards than each element could have achieved in isolation. Those villages now supplied with clean, safe water have seen an 80% drop in waterborne disease. Refrigerated trucks are able to access the island, enabling fishermen to increase the value of their catches by selling their fish fresh and at mainland markets. The provision of electricity and a regular free ferry service to the mainland has provided new economic opportunities and stimulated the development of tourism. Collectively, these improvements have resulted in more permanent dwellings being built on Bugala Island as incomes improve and islanders have a greater confidence in their future.

*Theresa Namutebi, KIS employee and one of the first certified female mariners in Uganda commented: "I was privileged to be selected by KIS as one of the ferry trainees, and later appointed as an employee...After getting this job, my social, health and economic conditions improved. . . I can now pay for my children's school fees, feed them well and take care of their health."*

