



An artist's impression of how the specialised hospital will look like when complete

# Inside the sh375b Lubowa hospital fight

THE CONTRACT WAS CLEARED ON THE BASIS THAT ROKO WOULD BE THE MAIN CONTRACTORS OWING TO THE COMPANY'S EXPERIENCE

BY CHARLES ETUKURI  
AND BARBRA KABAHUMUZA

The construction of the international hospital has begun its first visible steps of life with fights over control of the site between giants.

Last year, the Government approved a move to back an investor, Finasi International, to construct a modern specialised hospital at Lubowa in Wakiso district. The specialised 264-bed hospital is supposed to include a health training school, staff housing, an 82-room budget hotel and a 5,000-seater conference hall, all estimated to cost \$249.9m (over sh926b). It is supposed to serve the region with services for cancer, kidney transplants, heart and brain surgery and other specialised treatment currently unavailable in Uganda.

The Government approved a \$249.9m loan guarantee to Finasi International to build the hospital. The Government also approved Roko Construction Company Ltd to start the construction. However, on Wednesday last week, Enrica Pinnetti, the chairperson of Finasi, ordered Roko out of the site in favour of a Chinese contractor, China Power.

Roko run to the High Court on Thursday and secured a ruling overturning Pinnetti's actions. Justice Andrew Bashaija issued a temporary injunction "restraining Finasi International from evicting Roko Construction and interfering with the company's execution of works and possession of site."

He also directed that Roko stays at the construction site until a petition filed by the company against the Special Purpose Vehicle (SPV) comprising Roko and Finasi International is heard and disposed of. Bashaija also barred Finasi from entering into a contract with any third party other than Roko in the construction of the hospital.

However, Finasi refused to barge and barred Roko from repossessing the site. Armed security personnel, led by the Kajjansi Police division Police commander, David Agaba, raided the construction site between 2:00am and 3:00am and ordered the ROKO team out.

Roko has not been given access to the site and the Chinese company has

started excavation works.

## ■ IMPLICATIONS OF FIGHT

Sources privy to the project told *Saturday Vision* that due to the confusion and the introduction of a third party, the banks which had promised to finance the project were now threatening to pull out.

On Thursday, Roko filed fresh proceedings against Finasi International, its chairperson Enrica Pinnetti and Moses Matovu, the company secretary of Finasi/Roko, a joint venture company incorporated as a special purpose vehicle to finance, design and equip the hospital. Roko is seeking court to declare that their actions are in contempt of court and to stop interfering with Roko's execution of the contract works and possession of the site for the hospital.

Finance minister Matia Kasaija, whose ministry is supposed to be the government supervisor of the project, was shocked by the developments. The minister, however, revealed that the Chinese contractors had been approached while he was in China with the President early this month.

"I did not know it had reached this level. I met the Chinese investors when I travelled with the President to China and told them that Roko had already entered into a partnership with Finasi to construct the hospital. I knew there were some wrangles, but I didn't know that it would end up with a takeover. Let me look for Finasi and speak to her, I will get back to you," Kasaija said.

Kasaija, however, had not got back to us by the time we filed the story. However, *Saturday Vision* has learnt that some senior State House and government officials were backing Finasi. A source explained that the Chinese firm was offering a better deal that would save a lot of money compared to Roko, but China Power has no record of construction in Uganda.

On June 6, Pinnetti came with soldiers and Police officers to evict Roko at around 4:00am, an indication that he had a strong backing from some high forces within government. When Roko appealed to the relevant government departments, the

situation was briefly halted, until July 3, when they were eventually overpowered.

In their affidavit filed at the High Court, Roko says under the terms of their agreement with Finasi, they were supposed to, "execute the construction of the hospital, which included taking possession of the site, grading it, securing and providing water and electricity on site."

The SPV later entered into a contract with the Government to design, finance, build and equip the hospital and Roko was solely given the task of constructing the hospital under the agreement signed. Roko indicates that they solely looked for financiers of the project and also obtained security and letter of conformity only for Finasi to turn around and ask them to leave.

Sources in the Solicitor General's office, which cleared the contract between Finasi/Roko SPV Ltd, told *Saturday Vision* that the contract was cleared on the basis that Roko would be the main contractors owing to the company's experience.

Sources also revealed that it was Roko that was instrumental in bringing on board the financiers who included South Africa Trade and Development Bank, African Export Import bank, Barclays Bank Uganda, Amalgamated Bank of South Africa, who have already contributed \$250m for the project.

On December 4, last year, the Government of Uganda signed a direct agreement with the banks in which they promised promissory notes. In March, the Attorney General's office gave a legal opinion supporting the financing of the project and eventually Parliament gave it a nod after a lot of haggling.

The recent development comes at a time when the Speaker of Parliament, Rebecca Kadaga, has ordered an investigation into the alleged disappearance of \$37m (about sh140b), which was part of the money advanced to SPV accounts by the financiers.

Reports indicated that \$87m was released for the project from Trade Development Bank to a local bank, but only \$50m reached the project account. Sources say the investor had since ventured into coffee trade and might have diverted the money.

## Man held over molesting school kids

BY CHARLES ETUKURI

Kira Road Police Station is holding a 21-year-old man accused of sexually molesting over 10 children aged between five and 12. The suspect was arrested when residents of Kamwokya, a city suburb, attempted to lynch him on Tuesday. Some of the children who were allegedly molested, *Saturday Vision* has learnt, included both underage boys and girls.

Kampala Metropolitan Police spokesperson Patrick Onyango confirmed the arrest.



**PATRICK ONYANGO**  
**KAMPALA**  
**METROPOLITAN POLICE**  
**SPOKESPERSON**

**No money was demanded by the Police from the relatives. These kind of cases are handled in a special way and in cases where they are referred to a private clinic, there are non-governmental organisations that we work with who normally come in to fill the gap.**

"We are holding him at Kira Road Police Station. The suspect was taking advantage of school children, but the community of Kamwokya got to know about it. The Police picked him and took him to the hospital for treatment," Onyango said.

"We have recorded statements from witnesses and the file was submitted to resident state attorney for legal advice," Onyango added.

He denied claims by some of the residents that the Police had asked for money from some of the parents of the victims for medical tests.

"No money was demanded by the Police from the relatives. These kind of cases are handled in a special way and in cases where they are referred to a private clinic, there are non-governmental organisations that we work with who normally come in to fill the gap," Onyango said.

He also noted that the investigations were complete and all the medical forms had been filled.

Kira Road divisional Police commander Michael Kasigire attributed the suspect's arrest to the neighbourhood watch system in which the Police encourages people within their community to be their neighbour's keeper.

He noted that he had established the neighbourhood watch groups consisting of 10 homes and also several WhatsApp forums, where the locals were able to directly deal with the Police officers in charge of their different areas and that this had helped bring down crime.