THE REPUBLIC OF UGANDA

IN THE HIGH COURT OF UGANDA AT KAMPALA

HCCS NO. 509 OF 1999

SEREFACO CONSULTANTS LTD :: PLAINTIFF

VERSUS

EURO CONSULT BV. :: DEFENNDANT

BEFORE : **THE HON. MR. JUSTICE R.O. OKUMU WENGI.**

JUDGMENT:

The Plaintiff a Ugandan Consultancy Outfit sued the two European based defendants to recover the sum of Dutch Florins 816,505.98. The claim is founded on a Consultancy Contract in which the disputants participated relating to the Olweny Swamp Rice Irrigation Project in Northern Uganda. According to the Association agreement of 1990 European Group as is usually the case took on local experts to do sizeable bulk of the project work. The local plaintiff would receive about a third of the project Consultancy budget paid to the European Consultants by the Uganda Government.

The parties worked well until 1997 when the participation by the local experts seconded by the plaintiff became downgraded or bypassed altogether. The plaintiff claims the amount of money based on man months allocated to its experts under participation agreement. The sum also included other expenses on furniture, office, housing and other fees.

According to the Written Statement of Defence, the defendant denied liability.

On 20/10/2000, Interlocutory Judgment was entered against the defendant and the matter was set down for formal proof. The defendant called two witnesses while the plaintiff called one witness. As I understand it the issue became whether the plaintiff had proved his claim and what the quantum of damages would be. Mr. Chapa (PWI) testified for plaintiff. He entered five (05) Exhibits that had been annexed to the Plaint to prove the existence of the contract of agreement, its terms and conditions. He testified that his company was entitled to Housing, Furniture, Office

expenses, Reporting Costs, Certain Gross arrears (unpaid invoices) all totaling to DF180,187.40. The witness besides the above set out claims for many months totaling DF 636.319.43. In cross-examination the witness gave methodical testimony in my view and proved that his firm and experts were deprived of contracted budgeted man months.

For the defence Mr. Willem E. Van Der Grinten conceded in his testimony that the fee-sharing basis was two thirds for the European Contractors and a third for the African Experts. He also conceded that some man months of the plaintiffs Consultants were reduced but he attributed this to some problems experienced in Civil works and increased costs of construction leading to reduction in the technical expertise input mainly of the plaintiff. The witness also testified in cross-examination that the defendant had so far paid Dutch Florins 2.066,032.23 to the plaintiff. He did not however provide a breakdown or evidence as to what these payments related. In particular he did not in my view rule out the claim by the plaintiff that Dutch Florins 800,000 was still unpaid on account of the different heads of claim as ably presented by the plaintiff side.

In view of the above evidence I am able to say that the plaintiff was able to establish its case on a balance of probability. Having recruited or maintained local experts whose input had been budgeted and was integral to the project the plaintiff could not just tell them “sorry, your man months as per your work contracts have gone up in smoke.” I am therefore able to enter final judgment for the plaintiff in this case for the sum claimed of Dutch Florins 816,505.98 with interest at the rate of 6% from March, 2000 to the date of payment in full together with costs of this suit.

R.O. OKUMU WENGI

JUDGE

20/02/02.