



UGANDA ENERGY CREDIT CAPITALIZATION COMPANY

UECCC – Facilitating Renewable Energy Investments

Uganda Energy Credit Capitalization Company (UECCC) congratulates Electricity Regulatory Authority (ERA) on its new brand identity and on the numerous achievements in growing Uganda's electricity supply industry

UECCC was established by the Government of Uganda six years ago and is in place to facilitate investments in Uganda's Renewable Energy (RE) Sector.

The Company is the administrator of the Uganda Energy Capitalisation Trust ("The Trust") which is a framework for pooling resources from Government and Development Partners for development of renewable energy projects.

The Company's main objective is to provide financial, technical and other support for renewable energy development in Uganda, with a particular focus to enabling private sector participation. In this regard, UECCC provides Technical Assistance and new Financing Options for RE projects.

UECCC's current Financing Solutions for RE include:

i. A Solar Loan Programme

Working in partnership with Participating Financial Institutions (PFIs), UECCC has put in place a facility that enables households and commercial enterprises acquire solar systems on credit.

This Programme addresses the affordability barrier posed by the initial upfront cost of acquiring Solar systems. PFIs currently offering this product with support from UECCC include; Post Bank Uganda Ltd, Pride Micro Finance Ltd, Finance Trust Bank, Opportunity Bank and Centenary Bank.

ii. A Power Connection Loan Programme

UECCC has partnered with Centenary Bank to avail a power connection loan which enables households and commercial enterprises to access electricity by connecting to the national grid.

This Programme addresses the affordability barrier arising from the upfront electricity connection costs including; wiring of premises, poles, connection fees charged by the utility company and conversion costs for migration from diesel – powered systems to grid electricity.

iii. Technical Assistance

- UECCC provides capacity building for Independent Power Producers (IPPs) and PFIs in the form of Skills Transfer Events, business clinics and trainings.
- With support from KfW, UECCC also provided Early Stage Technical Assistance to IPPs for Renewable Energy generation projects. This included start up technical and financial assistance to address pre-investment barriers facing IPPs.

UECCC Achievements to date:

- Under the Solar and Power Connection Loan Programmes, UECCC has contributed to electricity access by facilitating 2,771 connections including households, commercial enterprises, and schools.
- Under the Technical Assistance to IPPs, UECCC extended support to four private sector renewable energy projects with a generation capacity of 39.4 MW combined.
- In line with its mandate to pool resources for "the Trust" and to facilitate generation and access programs, the UECCC mobilised a Grant of Euros 13.1 million from the ORIO Infrastructure Fund of the Government of The Netherlands towards development of ten (10) Mini Hydro sites as a single project for rural electrification.

The project entails generation and distribution of power in

the project area. Feasibility Studies for the ten sites are ongoing and due for completion in June 2016.

Planned Programmes

- Continue implementation of existing Financing initiatives:** UECCC will continue implementation of Solar Refinance Programme and the Connection Loan Programme.

In addition to existing PFIs, UECCC is to extend Solar Refinance facilities to selected Tier IV financial institutions for on-lending for solar PV acquisition. The aim is to increase outreach at the grassroots.

- Solar Vendors Working Capital Facility:** With World Bank Support under ERT III, UECCC has commenced design of a Solar Vendors Working Capital Facility that will be available in FY 2016/17.
- Biomass Financing Facility:** UECCC is in the process of developing a Biomass Financing Facility for domestic biogas systems.
- Develop and Implement Capacity Enhancement/TA programs for PFIs and IPPs:** UECCC will continue to implement Skills Enhancement programs for PFIs and IPPs.
- To offer support to IPPs towards obtaining Climate Finance:** UECCC will link potential climate change mitigation projects to Carbon Financing through existing Programs of Activities (POAs).

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