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For Immediate Release

UECCC to increase access to off grid solar electricity through a Working Capital Facility for solar companies

The Government of Uganda, with funding support from the World Bank, is implementing the Energy for Rural Transformation Project, Phase III (ERT III). One of the components of ERT III is “Financial Intermediation for Off- grid access” with the objective of increasing access to Off grid solar electricity in rural areas.

The Uganda Energy Credit Capitalisation Company (UECCC) is the Implementing Agency of the Financial Intermediation component, under which UECCC has put in place a Working Capital Facility (WCF) of US \$ 8.5 Million to provide Lines of Credit to Participating Financial Institutions (PFIs) for lending as working capital loans to Solar Companies.

“On implementation completion, the Financial Intermediation Component benefits will include: Off-grid connections to reliable electricity for over 30,000 households (approximately 165,000 Ugandans)” said Hon. Simon D’Ujanga, Minister of State for Energy.

The targeted Solar Companies are those selling solar systems under Pay As You Go (PAYG), Pay Plan and Cash Business Models. The PFIs so far accredited to the Facility are:

- Centenary Bank
- Barclays Bank Uganda Limited
- Stanbic Bank Uganda Limited
- Finance Trust Bank
- PostBank Uganda Limited

The Facility will work as a revolving fund accessible by PFIs on a first-come first-serve basis.

“The Facility is aimed at putting in place a sustainable financial intermediation mechanism for off-grid solar companies. The Goal of the Facility is therefore active participation of the local financial sector in the provision of credit for the off grid solar sub sector,” said Mr. John Byaruhanga, on behalf of Mr. Keith Muhakanizi, The Board Chairman of UECCC.

Specifically, the working capital loans by PFIs will finance: the purchase/import financing for stock of Solar Home System, and for expenses relating to acquisition of the stock including taxes, import dues, transport cost and clearing.

“Access to finance by solar companies has been a challenge in line with the general experience of Small and Medium Enterprises in Uganda. We are here today as key stakeholders and partners to launch a Facility that is expected to address this challenge”, said Ms. Specioza Kimera Ndagire, Managing Director, UECCC.

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Note to Editors

The Uganda Energy Credit Capitalization Company (UECCC) is a Government of Uganda Company that is in place to facilitate development and access to renewable energy. Its main objective is to provide financial, technical and other support for renewable energy development in Uganda, with particular focus on enabling private sector participation.