

UGANDA ENERGY CREDIT CAPITALIZATION COMPANY



Credit Support for Renewable Energy



**Solar
Loan Programme**



**ORIO Mini Hydro
Power Project**

**Connection
Loan
Programme**





BACKGROUND

The Uganda Energy Credit Capitalisation Company (UECCC), is a Government institution set up under the Companies Act as a Company Limited by Guarantee and not having share capital.

It was operationalised in 2009 primarily to facilitate investments in Uganda's Renewable Energy Sector, with a particular focus on enabling private sector participation.

The Company's main objective is to provide financial, technical and other support for Renewable Energy Projects and Programmes.

UECCC is also the administrator of the Uganda Energy Capitalisation Trust ("The Trust") which is a framework for pooling resources from Government and Development Partners for the development of Renewable Energy Projects.

VISION

To be the leading provider of financing solutions and technical assistance to facilitate renewable energy development and access.

MISSION

To provide innovative financing initiatives and technical assistance that enables participation of the private sector and other stakeholders so as to enhance development and access to renewable energy.

OBJECTIVES

- To serve as a Credit Support Institution and to promote Private Sector led renewable energy Infrastructure Development.
- To provide financial, technical and other support to Renewable Energy Projects in Uganda.
- To introduce into the Ugandan Financial Market new and innovative financing modalities including Credit Enhancement Instruments directed at reducing real or perceived risks faced by primary lenders and other Financial Intermediaries.

SOLAR LOAN PROGRAMME

A Solar Loan Product for Participating Financial Institutions (PFIs)

This financing facility is extended to PFIs regulated by Bank of Uganda for on-lending to households and commercial enterprises for solar systems acquisition.

The objective of the Facility is to address the affordability barrier posed by the initial upfront cost of acquiring solar systems that is relatively high for the target beneficiaries (rural households/enterprises).

The PFIs currently offering this product include:

- Pride Micro Finance Ltd
- Centenary Bank
- Finance Trust Bank
- Post Bank Uganda Ltd

A Solar financing framework for Tier IV Financial Institutions

This financing facility is extended to Tier IV Financial Institutions (Micro Finance Institutions & Savings and Credit Cooperative Organizations) for on-lending to their members to acquire solar systems.

This facility aims at addressing the affordability barrier posed by the initial upfront cost of acquiring solar systems by clients in the rural communities.

UECCC is currently working with Tujijenge Uganda Limited, Hofokam Ltd and EBO SACCO Ltd to extend Solar Loans to households and commercial enterprises.



Solar Home lighting and charging systems that can be acquired under the Solar Loan Programme

CONNECTION LOAN PROGRAMME

UECCC has extended this financing facility to Centenary Bank for on-lending to households and commercial enterprises desiring to connect to grid electricity .

This facility aims at addressing the affordability barrier arising from the upfront electricity connection costs including:

- Wiring of premises
- Poles
- Connection fees charged by the utility distributor
- Conversion costs for migration from diesel – powered systems to grid electricity.

The facility is available at all Centenary Bank branches country wide.



Students of Nile High School in Arua district attend a Computer Science lesson powered through the Connection loan programme

TECHNICAL ASSISTANCE

One of the main objectives of UECCC is to provide Technical Assistance to Participating Financial Institutions (PFIs) and Independent Power Producers (IPPs).

In the case of PFIs, UECCC extends Technical Assistance to address various capacity gaps in the areas including but not limited to renewable energy lending techniques, risk assessment and mitigation, skills transfer events and product development.

For the case of IPPs, UECCC extends Technical Assistance to address various capacity gaps in the areas including but not limited to pre-feasibility study development, technical evaluation of milestone project studies, business plan development, business to business and skills transfer events.

Completed Technical Assistance Projects

With support from a Development Partner - KfW, UECCC has been able to provide Technical Assistance to prepare pre-investment studies for at least 6 Private Sector Renewable Energy Generation projects with an estimated cumulative generation capacity of 60.3 MW.

Similarly, the World Bank has supported UECCC to extend Technical Assistance to 5 PFIs through the development of Solar loan products.

UECCC MD, Ms. Specioza Kimera Ndagire hands over the Solar Loan Product Manual to ED Finance Trust Bank, Mr. Dennis Kakeeto. Looking on is UECCC Director Transaction Execution, Mr. Roy N. Baguma



OTHER PROGRAMMES

Solar Working Capital

UECCC has put in place a Working Capital Facility for Solar Companies especially those selling Solar systems using a Pay plan model.

The facility is availed to Participating Financial Institutions (PFIs) for on-lending to eligible Solar Companies/ Vendors.

Biomass

UECCC has put in place a Biomass Financing Facility for Biogas systems acquisition by rural households/commercial enterprises.

The facility is under pilot in partnership with EBO SACCO. The purpose of this facility is to on lend for acquisition of domestic biogas systems.

Upon successful implementation of the pilot, UECCC intends to roll out the facility through other Financial Institutions country wide.

UECCC and EBO SACCO Management after signing of the Biomass Financing Agreement in March 2017



OTHER PROJECTS

The ORIO Mini Hydro Power and Rural Electrification Project



One of the villages at Igassa, Kabarole district that is set to benefit from the ORIO Mini Hydro Power Project

Within the framework of the Uganda Energy Capitalisation Trust, UECCC mobilized a Grant of up to 13.1 million from the Dutch Government towards development of nine (9) mini hydro power sites of capacity 0.5MW – 1.5MW as a single project for rural electrification.

The Project entails generation and distribution of electricity for the nine (9) Mini Hydro Power sites. The selected sites are small and not

attractive to the private sector but still remain important for rural electrification.

On construction completion, management of the power generation plants will be concessioned to the private sector.

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