

Uganda ranked third in renewable energy investments in Africa

GRAPHIC BY BRIAN SSEKAMATTE

By Samuel Sanya

Uganda has received global recognition as the third best in Africa in attracting renewable energy investment by Fieldstone Africa Renewables at the ongoing Africa Energy Forum 2016 in London.

According to the latest Fieldstone Africa Renewables Index (FARI), Uganda only came behind South Africa and Morocco in Africa. Fieldstone Africa is the leading independent financial advisor and provider of related financial services in energy and infrastructure.

The countries on the continent were ranked on the basis of five categories which included business context, political determination and legal and regulatory infrastructure. Also considered were financial context and the practical experience of project execution right from inception to completion.

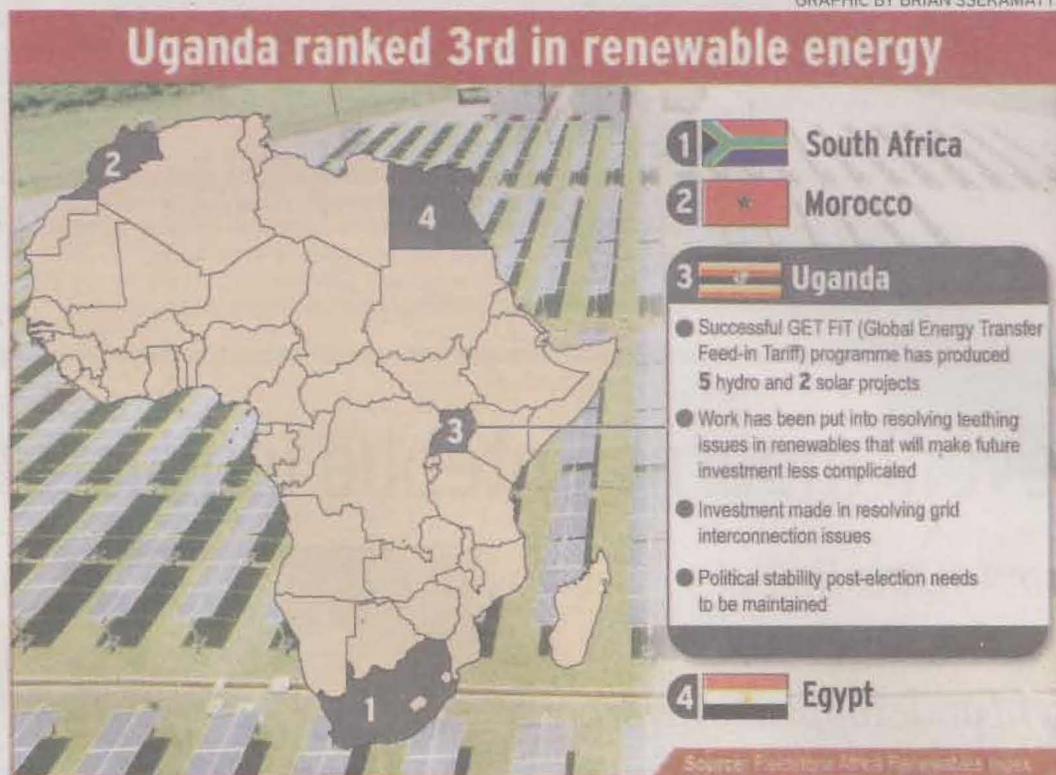
Uganda scored highly for resolving issues that will make future investment in renewable energy less complicated.

Uganda was hailed for resolving the grid interconnection issues.

Fieldstone Africa also hailed Uganda for political stability after the 2016 elections and urged the country to maintain the peace.

In what Fieldstone Africa referred to as "work put into resolving teething issues" in renewables, Uganda stands out for the work done in standardising all licensing instruments and procedures and this has made investment in the sector less complicated.

Uganda was further recognised for the success of the GETFIT (Global Energy Transfer Feed-in Tariff) programme that has produced several hydropower projects and two solar power projects currently under construction. The



GETFIT initiative is spearheaded by Uganda's Electricity Regulatory Authority (ERA), Uganda government, the German Development Bank KfW, with support from the governments of Norway, Germany, UK, the European Union (EU) and the World Bank.

The donors have put together a facility worth €91m to beef up payments to renewable energy producers. It also enables private investors to secure loans to construct renewable power projects. Uganda's projects under the facility will add 170MW to the national grid by 2018.

Through the GETFIT project,

Uganda is expected to attract private renewable investment worth €500m by 2018.

ERA consumer and public affairs manager Julius Wandera described the ranking as good news.

"This recognition means that the country has the confidence of international investors. This is evidenced by the increase in the number of applications we receive for renewable energy projects every month," he said.

In 2015, Uganda was ranked third in Africa and ninth in the world among 55 emerging economies in Africa, Asia,

Latin America and the Caribbean on the investment climate and policies for clean energy investments by Bloomberg New Energy Finance.

Currently, Uganda has an installed electricity capacity of 890MW. It has to generate 42,000MW of electricity from all power sources to reach upper middle-income status by 2032, according to the Vision 2040 master plan. ERA has licensed several small renewable energy projects under the GETFIT programme, including Nyamwamba (9.2MW), Rwimi (5.5MW), Kikagati (16MW), Kakira (20MW), Siti 1 (5MW), Siti 2

(16.5MW), and Waki (4.8MW).

Also licensed are Nengo Bridge (6.7MW), PH industrial Farms (1MW), Lubilia Kawempe Hydro (5.4MW), Muvumbe (6.5MW) and a Sugar and Allied Industries power plant of 11.9MW.

The 1MWP Industrial Farms power plant in Gulu will be the first biomass gasification plant in Uganda using groundnut husks, while Kakira and the Sugar and Allied Industries power plants will run on bagasse, a sugarcane byproduct.

Construction work on six GETFIT hydropower projects started last year. The remaining projects are expected to break ground in 2016.

The programme is supporting two solar PV projects; Access Power in Soroti and Tororo PV Power Company Ltd, which is a partnership between businessman Patrick Bitature and Building Energy SpA in Tororo — each producing 10MW.

Another company, MSS Xsabo Power Ltd, intends to generate 20MW of electricity from a solar power plant in Gomba. The Soroti project has a design life of 30 years and has the capacity to expand as its sub-station is able to handle a further 20MW of solar energy.

ERA boss Dr. Benon Mutambi recently said all the GETFIT projects will be online by 2018, providing the much needed power before the large hydropower dams of Karuma and Isimba get onto the national power grid.

Umeme chief executive officer Selestino Babungi said: "Renewable energy is good for the country due to lower costs and longer term energy savings. Uganda has a high potential for solar, hydro and geothermal electricity sources, which are cheaper in the long-term."