



Uganda

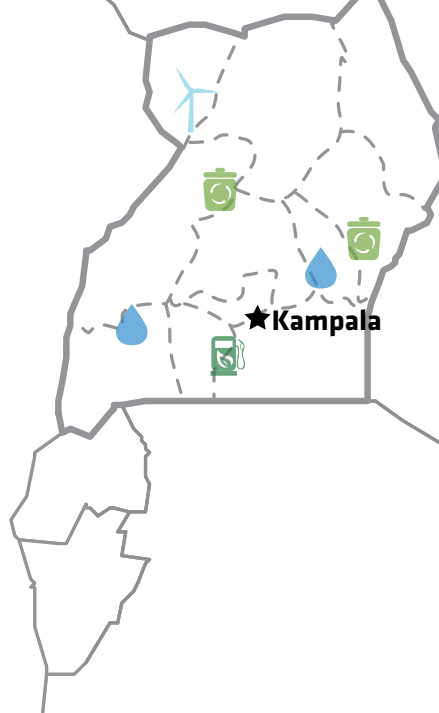
GDP: **\$26.3bn**Five-year economic growth rate: **7.0%**Population: **38.8m**Total clean energy investments, 2009-2014: **\$87.1m**Installed power capacity: **906.5MW**Renewable share: **16.9%**Total clean energy generation: **856.0GWh**Top energy authority: **Electricity Regulatory Authority**OVERALL RANKING
2014 2015

10

9

OVERALL SCORE
2015

1.68



PARAMETER	RANKING	SCORE
I. Enabling Framework	07	1.61
II. Clean Energy Investment & Climate Financing	20	0.65
III. Low-Carbon Business & Clean Energy Value Chains	06	3.85
IV. Greenhouse Gas Management Activities	14	1.77

SCORE SUMMARY

Uganda scored 1.68 in *Climatescope* 2015, placing it 9th on the list of countries overall. The country's ranking fell one place on the list from 2014. Its highest ranking came on Low-Carbon Business & Clean Energy Value Chains Parameter III.

On Enabling Framework Parameter I, Uganda climbed to 7th place overall. This was partly driven by its policy score and an improvement in regulations governing distributed energy.

On Clean Energy Investment and Climate Financing Parameter II, the country's score increased, due to a jump in the volume of loans and grants, among other things.

Uganda's strong showing on Parameter III was, in part, supported by a relatively large number of service providers, in both the distributed and utility-scale clean energy sectors.

On Greenhouse Gas Management Activities Parameter IV, the country scored higher owing to a comparatively strong performance on the Clean Development Mechanism Risk Indicator.

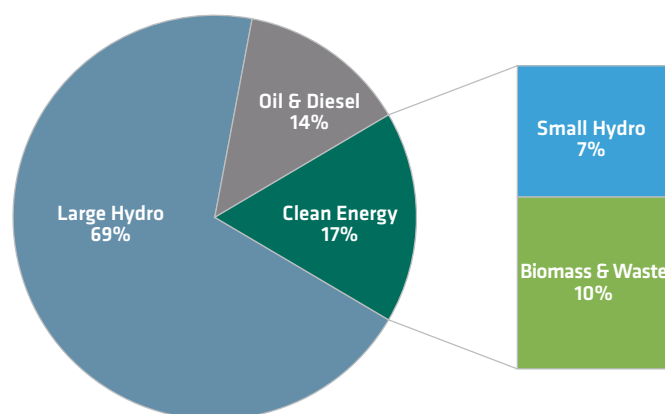
For further information, access www.global-climatescope.org/en/country/uganda

OVERVIEW

Uganda has just over 900MW of power-generating capacity, of which 17% comes from renewable sources excluding large hydro. The state-owned Uganda Electricity Generating Company Limited holds just under half – all of it large hydro – of the country's on-grid generation capacity, with another quarter owned by a third large hydro plant. That said, Uganda has a target to increase the share of modern renewables in total energy consumption to 61% by 2017 from 4% in 2007 - in 2014 it stood at 25%.

INSTALLED POWER CAPACITY BY SOURCE, 2014 (%)

906.5MW total installed capacity



Source: Bloomberg New Energy Finance, Uganda Electricity Regulatory Authority, Umeme

One of the few sub-Saharan African countries to have liberalized its energy market, Uganda's generation, transmission and supply segments were unbundled in 2001. The generation and transmission companies are both state-owned, while the supply company is privately owned. Independent power producers currently account for 58% of generation capacity, though UEGCL intends to triple its capacity with a 600MW hydropower project.

KEY POLICIES

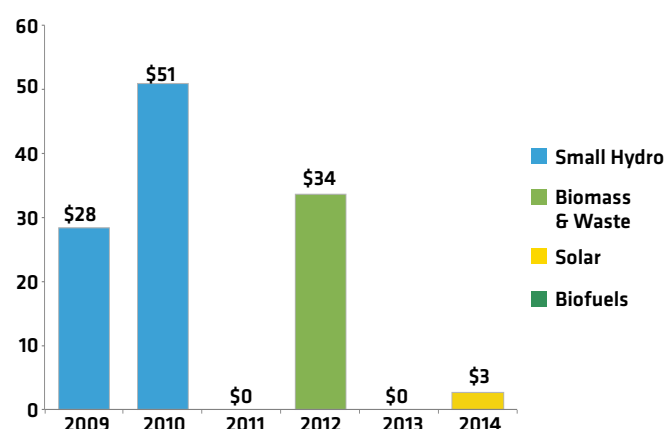
Energy Target	The 2007 Renewable Energy Policy sets a target for 61% renewable energy in total energy consumption by 2017, as well as technology-specific capacity goals.
Feed-in Tariff	Competitively allocated 20-year tariffs are available for limited amounts of small hydro, biomass, biogas, geothermal and wind – but not solar. Supplemented by the GET FiT scheme to provide finance and reduce risk.
Auction	The GET FiT solar facility offers competitively allocated grants for on-grid PV projects and supported 20MW of projects in 2014.
Debt/Equity Incentives	Credit support instruments to reduce risk, and public funding channeled to priority rural electrification projects through competitive bidding.
Biofuels	A 20% target biofuel quota in petroleum products with no time constraint is expected to be approved in parliament by the end of 2015.
Tax Incentives	Investors are eligible for a range of regional and national tax reductions and import duty exemptions.

Source: Bloomberg New Energy Finance Policy Library

A feed-in tariff in place since 2007 had limited success in encouraging capacity build. As a result, in 2013 the government, with development partners, launched a program aiming to fast-track 20-25 small-scale renewable projects. Known as GET FiT, it is expected to add some 150MW of renewable capacity to the Ugandan electricity grid by 2018. Originally only hydro, cogeneration (bagasse) and biomass projects were eligible. In 2014, Uganda added solar PV projects to the scheme and introduced a feed-in tariff for the technology, aiming to develop 20-30MW in just over a year.

ANNUAL INVESTMENT IN CLEAN ENERGY, 2009-2014 (\$m)

\$87.1m total cumulative investment



Source: Bloomberg New Energy Finance

Notes: Total investment includes: Asset Finance, Corporate Finance and Venture Capital / Private Equity Commitments.

By the end of 2014, 15 projects had been approved consisting of 28MW of biomass, 80MW of small hydro and 20MW of solar PV, with commissioning expected by 2016. The third and final round of tenders for hydro, bagasse and biomass capacity will be completed in 2015 while an additional round of solar PV is expected in the following year. Credit-enhancement and -support instruments are available to private-sector-led projects via the government agency, the Uganda Energy Credit Capitalisation Company. Such tools include a partial risk guarantee, bridge financing and subordinated debt finance.