

Energy Business Dialogue Uganda Workshop Outcomes

Workshop 1:

Legal and policy framework for business action – expectations and recommendations

Workshop 2:

Financial mechanisms for and investment in Renewable Energy projects

Workshop 3:

Small and medium sized RE enterprises – role, challenges, opportunities



WS 1 - Legal and Policy Framework



State of Play

Workshop 1 - Legal and Policy Framework

Key message of the Energy Sector Review (Mr Ndawula)

- Renewable Energy policy in place, but follow-up and evaluation was not performed adequately

Relevant aspects of framework for renewable energy

- Auditing policy compliance and review of policy required: performance and financial auditing
- Should be backed up by academia at a local, national, regional and global level

Experiences and Challenges

Workshop 1 - Legal and Policy Framework

- Need to focus on SMEs: training, financing and awareness raising
- Government as role model for implementation of energy efficiency
- Policy enforcement mechanism as back-up are crucial
- Policy guideline on PPA, feed-in tariffs including respective milestones
- Licensing/concessions: to be reviewed, evaluated and monitored

Way forward and recommendations

Workshop 1 - Legal and Policy Framework

Message to AEEP and SE4ALL

- Support regional cooperation: policy development, harmonization and research
- Enforce capacity building: human resources, procurement, finance, and harmonization
- Encourage oil companies to invest in RE – studies and development → shift from “brown” to green economy

What can the private sector contribute?

- Skills, finance!

WS2: Financial Mechanisms



State of Play

Workshop 2 - Financial Mechanisms for Renewables

- There are financing mechanisms available, but lack of awareness
- Companies will need guidance to explore these mechanisms

Experiences and Challenges

Workshop 2 - Financial Mechanisms for Renewables

- Lack of market awareness from consumers and financial institutions
- Unaffordable interest rates
- Financing readily available for higher amounts, but difficult for smaller projects
- Lack of implementation plan
- Lack of coordination among and between the different sectors

Way forward and recommendations

Workshop 2 - Financial Mechanisms for Renewables

- Implementation plan linking objectives with outcomes
- More emphasis on energy initiatives
- Develop biomass refinance facility to facilitate financial institutions to lend for biomass equipment (biogas, cook stoves)
- Vendor financing is required (bundling of projects)
- Partial credit risk guarantee for vendor onlending
- Reduce interest rates -> reduce risk factor

WS 3: SMEs – Role, Challenges, Opportunities



State of Play

Workshop 3: SMEs - Role, Challenges, Opportunities

Key message of the kick-off presentation

- Huge potential for SMEs to provide energy services to at least 60% of Uganda's energy requirements
- With proper uptake mechanisms, we can get to over 70% of the population picking a leaf from the telecom industry
- Improving access for SMEs to available information is essential

Motivation for starting up renewable energy businesses

- Commercial benefit i.e. make profits
- Social responsibility
- Contribution to the sustainable development of communities and Uganda

Experiences and Challenges

Workshop 3: SMEs - Role, Challenges, Opportunities

Experiences with entering the renewable energy market

- Administrative challenges in acquiring all the necessary documents such as Certificate of Registration, bank accounts, EIA certificate, etc.
- Product distribution right down to the consumers
- Poor quality controls by the standards bodies such as UNBS

Main challenges faced

- Limited skills both Technical and Business
- Capital – especially taking account of high initial business risks
- Product acceptance: extensive market research
- Government slowness in project approvals

Way forward and recommendations

Workshop 3: SMEs - Role, Challenges, Opportunities

Message to AEEP and SE4ALL

- Need for an access hub for information and funds
- Appropriate funding for SMEs such as soft loans, non-refundable grants
- Capacity building in both technical and business skills
- Market information & research results for business use
- Standards for products and services (to be put in place)

What can the private sector contribute to improve the sector's conditions?

- Private sector associations – must be catalytic and dynamic
- Self regulation via business associations and standards (e.g. ISO)
- Cooperation amongst SMEs for sector wide healthy competition

Energy Business Dialogue Uganda

Creating commitment and momentum
for increased energy access

