



UGANDA ENERGY CREDIT CAPITALISATION COMPANY

A Presentation on the Work of UECCC and Barriers and Solutions to attracting Finance in the Early Stages of Renewable Energy Project Development.

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Introduction

- The Uganda Energy Credit Capitalisation Company (UECCC) founded three years ago, is in place to facilitate investments in Uganda's Renewable Energy Sector.
- UECCC's mandate is to provide a reliable framework for pooling resources from Government, Investors and Development Partners and to channel the same to viable renewable energy projects.
- The Company's main objective is to provide financial, technical and other support for renewable energy infrastructure development in Uganda, with particular focus to enabling private sector participation. In this regard, UECCC provides Technical Assistance to both Financial Institutions and Independent Power Producers to facilitate private sector led energy projects.



Objectives

1. To serve as a credit support institution and to promote Private Sector led renewable energy infrastructure development.
2. 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.



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UECCC Management



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General Manager



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Manager, Transaction Execution

Barriers to Attracting Finance in the Early Stages of Renewable Energy Project Development

- Lack of Technical Capacity to carry out Key Project activities such as the preparation of Bankable Feasibility Studies and market assessments;
- Locally, the market is thin on Project Finance Skills;
- Lack of Equity by Local Project developers during the start up phase;
- Unavailability of Full feasibility Study financing Mechanisms.

Barriers Contn...

- On account of the Lack of Full feasibility Studies, International Developers have a lack-lustre interest in joining the RE Project Development in Uganda
- There is a lack of alignment between the short tenors of commercial bank loans and the typically long term project cycles of RE Projects.

What has UECCC done to address the Barriers

- With Support from KFW, UECCC has now come up with an Early Stage Transaction Advisory Mechanism.
- The available Funding under this Mechanism, amounting Euros 1.5 million, is expected to facilitate at least 10 Renewable Energy Projects to move closer towards Financial Closure.
- A Support Menu of Services will be provided through an Advisory Firm now at advanced stages of being selected.

What UECCEC has done contn..

The Support Menu will include the following:-

- 1) Full Pre feasibility Study
- 2) Technical Evaluation of Milestone Project Studies
- 3) Business Plan Preparation
- 4) Financial/ Economic Model Structuring
- 5) Risk Assessment
- 6) Market Assessment
- 7) Marketing of Projects to Participating Financial Institutions and Potential Investors
- 8) Valuing of Projects for Sale

Eligibility Criteria for the Early Stage Support

- The Applicant must be the owner of the project i.e. a holder of an ERA permit to undertake Studies;
- The Project developer must submit a Project Identification Note along with other required information as requested by UECCC and must have performed some preliminary technical work on the Project;
- The Project must show / prove commitment to the Project over the Long term;
- The Developer must have experience in developing capital investment projects and sufficient technical/ business knowledge in Project Management in the energy sector.

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THANK YOU