



Uganda

GDP: **\$21.5bn**Five-year economic growth rate: **8%**Population: **37.6m**Total clean energy investments, 2006-2013: **\$307.1m**Installed power capacity: **881.3MW**Renewable share: **17%**Total clean energy generation: **840.9GWh**Top energy authority: **Ministry of Infrastructure**OVERALL RANKING
2014**10**OVERALL SCORE
2014**1.52**

PARAMETER	RANKING	SCORE
I. Enabling Framework	16	1.32
II. Clean Energy Investment & Climate Financing	30	0.49
III. Low-Carbon Business & Clean Energy Value Chains	06	3.93
IV. Greenhouse Gas Management Activities	17	1.68

SUMMARY

With an overall score of 1.52, Uganda was 10th out of the 55 countries in this year's *Climatescope* and third among African nations. It performed best on Parameter III, achieving 75% of the maximum parameter mark for its low-carbon value chains.

Seeking to achieve middle-income country status in 10 years, Uganda has nearly returned to macroeconomic stability after a series of shocks earlier this decade. The country's non-large hydro clean energy sector attracted \$307m from 2006-13, though annual investment ranged from \$135m in 2008 to zero last year.

Uganda has a liberalized power sector but its electrification rate remains very modest at 14%. The Rural Electrification Agency is working to connect over 500,000 new customers to the main or independent grids, or to solar PV systems over 2013-22. The goal: universal access by 2035.

Uganda has been a renewable energy fledgling to date but the government hopes that its 'GET FiT' program will help change this. It aims to fast-track some 15-20 small renewable projects a year, through a results-based top-up on Uganda's existing feed-in tariff, as well as grant funding for solar PV projects.

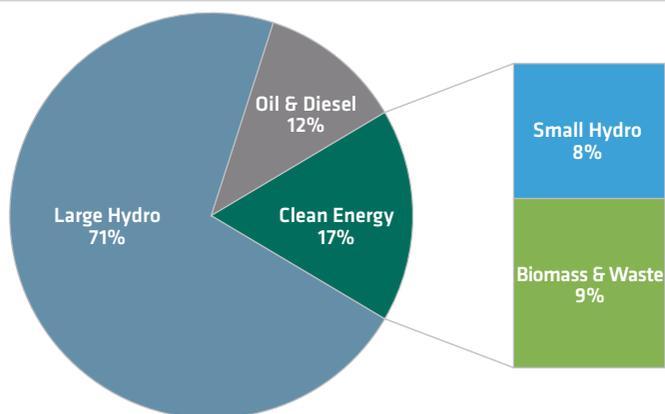
For further information, access www.global-climatescope.org/uganda

PARAMETERS AT A GLANCE

The biggest contributor to Uganda's ranking in this year's *Climatescope* was its low-carbon value chain, which accounted for 38% of its overall score. Its policies and regulatory framework also boosted its overall ranking. By contrast, poor performance on the clean energy investment indicator weighed down its score.

INSTALLED POWER CAPACITY BY SOURCE, 2013 (%)

881.3MW total installed capacity



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

Uganda has one of the region's few fully unbundled power markets, with a relatively high share of generation (57%) in the hands of independent power producers. Nonetheless, there have been concerns over offtaker risk: in December, for example, system operator UETCL threatened not to pay some generators because power distributor Umeme was withholding funds. Nonetheless, Uganda's power market structure – together with its policy framework – resulted in it finishing 16th on Enabling Framework Parameter I.

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.
Debt/Equity Incentives	Credit support instruments to reduce risk, and public funding channeled to priority rural electrification projects through competitive bidding.
Tax Incentives	Investors are eligible for a range of tax reductions and import duty exemptions.

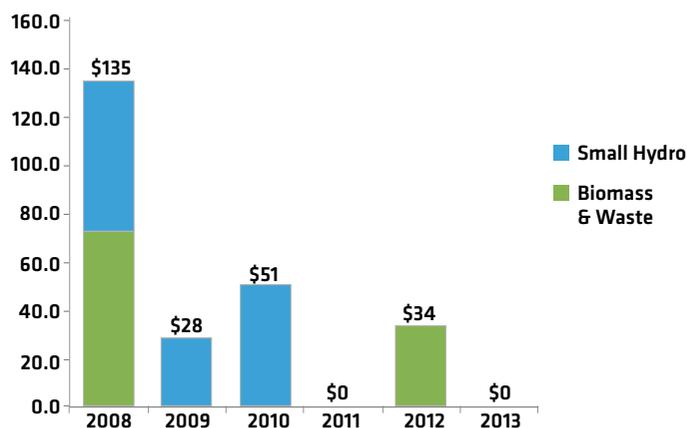
Source: Bloomberg New Energy Finance Policy Library

Uganda's lowest ranking was on Clean Energy & Climate Financing Parameter II, putting it 31st. The country attracted no new investment for major non-large hydro clean energy projects in 2013. Its strongest indicator for this parameter was related to the number of green micro-borrowers.

The country performed best on Low-Carbon Value Chain Parameter III, achieving sixth position. Uganda has a complete off-grid value chain and was missing only two types of service provider. Home to three of the five potential types of financial institutions active in clean energy, Uganda saw one of the first renewable corporate bonds issued in the region, a \$30m raise from Kakira Sugar to fund expansion of its cogeneration plant.

ANNUAL INVESTMENT IN CLEAN ENERGY, 2008-2013 (\$m)

\$307.1m total cumulative investment



Source: Bloomberg New Energy Finance

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

Uganda's historic low-carbon activity helped it to 17th position on Parameter IV. It scored well for carbon offset activity – its 25 CDM and voluntary offset projects are more than any other African country except South Africa and Kenya – and CDM risk, as it has not had any project failures. While it does not yet have an emission-reduction target, it does have at least one think tank and one environmental business training facility.