

**STATEMENT FROM REPRESENTATIVE OF
DEVELOPMENT PARTNERS**

Delivered by the EU Head of Delegation

**AT THE OCCASION OF THE
GET FiT SOLAR FACILITY AWARD FUNCTION**

DECEMBER 10, 2014

17.50-18.05

- Mister Permanent Secretary (tbc)
- Honourable Members of Parliament (tbc)
- Representatives of Developments Partners and in particular my dear colleague the Ambassador of Germany (tbc)
- Representatives of the Private sector
- Members of the Medias
- Ladies and Gentlemen's

It is a great pleasure for me to be here with you and I must thank the Electricity Regulation Agency (ERA) for having invited the EU to speak on behalf of all Development partners involved in the Global Energy Transfer for Feed-in-Tariffs programme, best known as GET-FiT.

My first congratulations go to KFW and the German cooperation that have managed to gather together in a joint programme so many Development Partners, namely the World Bank, UK, Norway and EU. It is a very good example of donor's cooperation and blending of money.

I also congratulate the Government of Uganda and the ERA for their strong ownership and commitment within the GET-FIT programme, and for their strong engagement with the private sector in renewable energy generation, within a well-developed and transparent sector policy and regulation.

Indeed, the successful and timely start of the implementation of GET-FIT has been possible thanks to the good independent regulatory framework already in place.

ERA has also achieved the revision of the standardized Power Purchase Agreement and Implementation Agreement. These provide private developers with the necessary comfort to invest, making Uganda an attractive destination for private investments in the energy sector.

Uganda has been ranked in "*Climatescope 2014*" 10th out of 55 countries from Latin America, Africa, the Caribbean and Asia and 3rd in Africa for his investment climate and policies for clean energy investments. Let me compliment again the Government of Uganda for this very good result.

Ladies and Gentlemen,

This favourable investment climate, combined with persistent high prices in the solar market, have convinced the EU to offer a dedicated

20 million EUR grant (more than UGX 68 Billion) from the special EU-SE4All Investment Facility to the Solar Facility.

Like other GET-FIT activities, this new grant is in line with the three objectives of the UN Sustainable Energy for All Initiative that the EU and its Member States strongly support. The objectives of SE4All are crucial and deserves to be recalled. They are:

- To ensure universal access to modern energy services by 2030
- To double, by the same date, the rate of improvement in energy efficiency and
- To double the share of renewable energy in the global energy mix

As you know, Uganda is one of the first movers and is strongly engaged in the SE4ALL initiative. A joint declaration will be signed between Government of Uganda and the EU, to further reinforce commitments from both parts, in the context of the **Sustainable**

Energy for All Africa High Level Forum that will be held in Tanzania in February 2015.

The GET-FiT Solar Facility is a powerful novelty. It will increase the short-term renewable energy generation of 20 MW in addition of the first 103 MW brought by GET-FIT hydropower and biomass projects.

New Solar projects will diversify Uganda's electricity mix, reducing the current high dependency on hydropower, while reducing the need for thermal generation and reduce the emission of Greenhouse gases.

Solar energy will improve grid stability and energy efficiency and reduce the losses in the transmission and distribution grid.

And – most importantly – solar energy will bring power to the people in areas where access is otherwise very difficult.

Ladies and Gentlemen,

After South Africa, Uganda is the first country in Sub Saharan Africa to adopt this approach to tendering. It involves a reverse auction scheme whereby ERA has defined a tariff of UGX 11 for its contribution per Kwh purchased. GET-FIT will then provide the required gap payment to the tariff offered by successful bidders over a period of 20 years.

The Investment committee had a hard task choosing the best and most relevant projects for Uganda amongst the 24 expressions of interest received.

Let me then, on behalf of the Development Partners, congratulate the two consortia awarded today

They will develop 4 solar plants of 5MW each in Tororo and Soroti districts. Their challenge is big and all attention will be focus on the success of these projects as there is to date no grid-connected solar plant above 1 MW in all of East Africa!

This first experience has allowed both private developers and commercial banks to become more comfortable and experienced with Renewable Energy and especially with solar generation projects. Building on this, I hope a new call for proposals could still be launched for Solar projects within the Get-Fit framework.

Indeed, Developments Partners would like to encourage the ERA and the GoU to continue in this direction and guarantee the same enabling environment for **off-grid** projects, the only way to really bring power to people in remote areas where, despite all efforts done, some 90% of the population does not have access to modern energy services.

Let me therefore conclude with a wish; that today, we are celebrating only the beginning – the first stage of a rapidly growing Ugandan Solar Market that will spread throughout Uganda and to the entire EAC region.

Thank you for your attention.

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