

SREP Sub-Committee meeting -- November 11, 2015 -- Investment Plan for Uganda- Comments from Switzerland

Dear Mafalda,

For your records, please receive below the statement and recommendations we (Switzerland) made along with our support to endorse the SREP investment plan for Uganda during the SREP Subcommittee meeting on 11th November 2015:

The SREP IP for Uganda takes into account the country's needs for:

- Alternative base load generation from renewable energy sources (geothermal, wind)
- Increased access to electricity in remote areas.

It fulfills the SREP investment criteria, notably regarding the leveraging of additional funds, including from the private sector, with this leverage factor attaining 8.1.

However, the results are heavily dependent on the success of the 130 MW geothermal project, which must be qualified as risky. The other two components do not even foresee any private sector investments.

Switzerland supports the endorsement of the SREP IP for Uganda but recommends the following safeguards and improvements to be introduced and addressed in the project proposals:

- o Geothermal: Exploration drilling should be done in a sequential manner depending on the conclusiveness of the results. There should be the possibility to abort the project and reallocate the SREP funds, in case the first (slim) drillings are obviously not successful.
- o Solar PV: The net-metering project should as far as possible be extended to also include private (e.g. commercial or industrial) buildings and thereby raise private sector investments. If the reason for not including private sector investments is due to the enabling environment, some SREP funds should be allocated from that component to address the issues and remove the barriers.
- o Wind power: The involvement of the private sector should also be targeted for the wind power demonstration projects.

Please add this to the comments received section of the website.

Thank you and best regards

Daniel

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