

PROJECT PROFILE

<u>Sector</u>	Mining & Energy
<u>Sub - sector</u>	Energy
<u>Code</u>	ME 24 (A)
<u>Title</u>	Rural Electrification
<u>Implementing Agency</u>	Ministry of Energy and Mineral Development
<u>Location</u>	Nation-wide
<u>Total Plan Exp</u>	US \$ 22.90
<u>Funds Secured</u>	US \$ 22.90
<u>Funding Gap</u>	Nil
<u>Start Date</u>	2000
<u>Completion Date</u>	2012

Background

Only 5% of Uganda's population have access to grid electricity. These constitute about 150,000 customers. The access to grid electricity in rural areas is about 1% with a total of about 3.9 million rural households not connected to the grid. Uganda currently has one of the lowest per capita electricity consumption of 44 kWh per year.

The macro-economic growth of Uganda is seriously constrained by the lack of basic services of which electricity is key. Due to the stability experienced over the past decade, there has been an increase in the per capita income, resulting into an increase in the demand of electricity both in the urban and rural areas.

Objectives

The overall objectives for the programme are:

- Improve the rural quality of life and facilitate significant rural non-farm income by accelerating rural electrification, including solar PV systems, with a tentative target of increasing rural electricity access from about 1% at present to about 10% in ten years.
- Develop Uganda's indigenous renewable energy resources on a cost-effective basis, with a tentative target of about 70 MW of power generation from small renewable sources in ten years.

Technical Description

The programme will include the following components:

- Power generation/distribution for sale to consumers via larger systems connected or connectable to the main grid;
- Renewable energy power generation for sale via the main grid;
- Isolated grid systems far from the main grid for relatively concentrated areas with a potential for the use of electricity by rural enterprises;
- Individual/institutional solar PV systems, for relatively dispersed areas where isolated grid systems are not viable;
- Energy efficiency in use of traditional wood fuel by the Small and Medium Enterprises and public institutions; and
- Links with other sectors such as health, education, telecommunication and water.

Financing

The programme is to be funded by the World Bank and other bi-lateral donors

Feasibility study

The World Bank carried out its first mission to Uganda in October/November, 1998 to assess the resource potential, energy demand as well as the policy and legislative frameworks. From the findings of the mission, Uganda met the World Bank's criteria for starting the programme. Since then the Bank has been working with the Ministry and other stakeholders to develop the programme. The Project Concept Document (PCD) that had been under preparation was finalised. The document was presented to the World Bank's Governing Council early March, 2000 and was approved.

Plan of Operations

The programme will be implemented in three phases:

- First phase: Development of requisite framework and limited investments
- Second phase: Accelerating/building momentum for investment and continued capacity building
- Third phase Rapid scale-up of investments and consolidation of institutional build up