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CONTEXT

• Biomass energy sub sector is largely informal;
• Low financial appeal and low national profile;
• Profitability /Return on Investment are perceived to be low compared to other economic sectors;
• Lack of data and research;
• Nexus between biomass and other critical sectors (Water, Food, Environment and Climate Change) not well understood.
Context contééd

- New terrain to financial institutions in Uganda; no loan/financial products/no experience;
- Governed by framework laws, generic and not specific to biomass (NEAC, Forest and Tree Planting Act, Land Act, etc.);
- Long and complex value chain with many actors and overlapping mandates (MWE, DLGs, Urban authorities, MEMD) Who is the champion???
- Dis advantaged sub sector calling for affirmative action.
Requirements for Financing and Incentives

- Production of sustainable biomass energy feedstock;
- Modern equipment for harvesting, charcoal conversion, transport and storage;
- Other segments of the biomass value chain;
- From the energy perspective, most efforts have been going into the demand-side interventions while biomass supply remains a docket of MWE and NFA.
Opportunities for financing and incentives/policy recommendations

- Renewable resource whose conditions for growth and accumulation are very good in Uganda;
- Increasing subsidies/support from government, development partners in form of provision of land, seedlings and technical support;
- Support from climate financing (NAMAs, CDM projects) – Green Charcoal Project, NDC Support and Biogas NAMA Project;
- Creation of Uganda Energy Credit Capitalization Energy (UECCC), UDC/UDB for provision of concessionary financing;
- Tax holidays for investors in biomass stock production, dedicated energy farms and forestry.