

CTCN Technical Assistance: The case of Uganda

Formulation of Geothermal Energy Policy, Legal and Regulatory Framework in Uganda: *CTCN Request: 2015-022/UGA*

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TAs implemented

1. **Formulation of Geothermal Energy Policy, Legal and Regulatory Framework in Uganda**
2. **Adaptation to climate change through improved information and planning tools for Lake Victoria**
3. **Foreign Currency PPA Risk Analysis and Assessment of Local Currency financing options for Renewable Energy Development in Uganda (Fast Technical Assistance)**



Formulation of Geothermal Energy Policy, and Regulatory Framework in Uganda

Issues for which assistance was requested

Overall goal of the Request

Accelerating geothermal resource development for the benefit of all Ugandans.

growing interest from the government, development partners and private companies in geothermal energy hindered by four major

- (i) Resource development risk;
- (ii) Large up-front investment;
- (iv) Weak of institution and;
- (iii) Lack of legal and regulatory regime;

Interventions sought and relevance to key *national strategies* (notably NDC)

1. **Adaptation to climate change**

Uganda is working on reducing vulnerability in the following priority sectors:

- ✦ agriculture and livestock,
- ✦ forestry,
- ✦ infrastructure (with an emphasis on human settlements, social infrastructure and transport),
- ✦ water,
- ✦ **energy and**
- ✦ health.
- ✦ Disaster risk management is crosscutting for adaptation.

Energy (power supply)

- ✦ **Promoting renewable energy and other energy sources**

Increasing the efficiency in the **modern energy sector**, mainly of electricity
Climate proofing investments in electricity power sector

Development of the electricity sector holds great mitigation potential for Uganda due to the potential offsetting of wood and charcoal burning, and the consequential deforestation

2. **Mitigation of climate change**

Uganda aims to build on existing **Clean Development Mechanism (CDM)** projects and Programmes of Activities pipeline,

Uganda commits to undertaking a number of **policies and measures to support low-carbon development in key priority sectors**

THE POLICY

Impact

- ✦ increase confidence around technical viability,
- ✦ reinvigorate interest in geothermal resource, and
- ✦ stimulate a new wave of investment and technical expertise from both the private sector and development partners.

The policy:

- ❖ Lays down a Communication Programme through which the policy will be widely disseminated and popularised, and
- ❖ identifies a near-term need for a Geothermal Resources Master Plan that can help to guide our approaches to geothermal resource development in the coming years.

THE LAW

An Act to regulate geothermal exploration, development and production;

- ✦ to empower the Geothermal Resources Department of the Ministry of Energy and Mineral Development to participate in the development of geothermal resources and to regulate the licensing and participation of private entities in geothermal activities;
- ✦ to provide for an open, transparent and competitive process of licensing;
- ✦ to create a conducive environment for the promotion of **exploration, development and production** of Uganda's geothermal resources potential;
- ✦ to provide for efficient and safe geothermal activities; to provide for the cessation of geothermal activities and decommissioning of infrastructure;
- ✦ to provide for the payments arising from geothermal activities and for related matters.

- ✦ The draft has since been reviewed two times to produce the final draft which has been validated and awaiting a Regulatory Impact Assessment (RIA) report before it is submitted to Cabinet for approval.
- Draft policy to be presented to Cabinet for approval
- Principles of the bill drafted
- Presentation of the Bill to parliament
- Enactment of the law

Follow on request:

- ✦ **Technical assistance for direct use assessment of geothermal areas in Uganda**

- ✦ (There is a need for a
- ✦ specific policy designed to promote geothermal exploration, development and
- ✦ utilization. The policy will guide the exploration and development of the geothermal
- ✦ industry in Uganda.