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Energy and banking stakeholders during their meeting in Kampala recently. PHOTO/SHABIBAH NAKIRIGYA

15 food processors to benefit from Shs600 million grants

The facility is intended to address one of the major barriers to clean energy adoption among food processing businesses, the high upfront costs associated with renewable energy technologies and energy-efficient machinery.

BY SHABIBAH NAKIRIGYA

At least 15 food processing enterprises in northern Uganda are set to benefit from Shs600m partial grant financing to support the acquisition of renewable energy and energy-efficient technologies aimed at lowering production costs and improving productivity.

The initiative is being implemented through a partnership between Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) Uganda, the Ministry of Energy and Mineral Development and the Uganda In-

stitute of Banking and Financial Services (UIBFS).

The Chief Executive Officer of UIBFS, Goretti Masadde, said the programme falls under the Promotion of Renewable Energy and Energy Efficiency Programme, which seeks to increase the use of clean energy solutions among small and medium enterprises, particularly in regions where food processors face unreliable or expensive electricity supply.

"Under the arrangement, UIBFS has been contracted to manage and oversee the implementation of a partial grant facility targeting food processors oper-

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By supporting them access financing, we are enabling them to reduce their cost of production and improve on how they use energy productively. We want to reduce energy intensity for industries where they produce at the same rate but while using less energy

ating in northern Uganda," she said.

"Through the scheme, selected food processors will receive grant support covering up to 50 percent of the cost of renewable energy and energy-efficiency investments, with the remaining portion financed through credit from participating financial institutions or the companies' own capital," she added.

According to Ms Masadde, the pilot phase of the initiative aims to support other SMEs to make at least 30 small and medium enterprises across northern Uganda, with businesses drawn from the Lango, Acholi and West Nile sub-regions.

"Food processors are among the first beneficiaries due to their heavy reliance on energy for processing, storage and preservation of agricultural produce. Each enterprise will be eligible for a maximum grant of Shs 50 million, depending on the scale of the proposed investment," she says.

She adds that many food processors face what they describe as a double challenge the need for reliable energy to run processing equipment while struggling to afford modern energy technologies.

"The programme is designed to reduce the financial barriers that prevent many businesses from investing in renewable energy solutions. Many food processors understand the bene-

fits of renewable energy and energy-efficient technologies, but the upfront investment remains a major challenge," Ms Masadde adds.

Technologies provided

Ms Masadde says that the programme will support a range of renewable energy and efficiency technologies. These include solar photovoltaic systems ranging from 1.5 to 50 kilowatts, solar water heaters, solar dryers and other clean energy solutions commonly used in food processing operations.

"Other eligible technologies include energy-efficient lighting systems such as LED retrofits, capacitor banks and industrial equipment like motors, pumps, compressors, boilers, chillers and refrigeration units," she says.

Ms Easter Phiona Atek the Energy Officer from Ministry of Energy and Mineral Development says that as a ministry they have an objective on one productive use of energy where they want energy to go beyond connecting people but also to use it productively.

"So it's not about simply having access to energy but is that energy helping you to make money, to put something in your pocket, to improve your livelihood in terms of production," she says, adding that as a ministry, productive use of energy is one of their key strategic objectives and these SMEs actually need a lot of energy in their production.

Ms Atek says that many of them are not aware that there are more efficient motors, more efficient equipment on the market.

"With this project, we are now targeting the small and medium-scale enterprises to also ensure that there is energy efficient, manage their energy consumption and it's not the reason they shut down their facilities," she says.

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