

**GET FIT
UGANDA**

LESSONS LEARNED FROM
**IMPLEMENTATION OF A SUCCESSFUL
PPP PROGRAMME**



6 MAKING THE IMPACT STICK
**HOW TARGETED TECHNICAL ASSISTANCE CAN HELP TO
CREATE A SUSTAINABLE PPP PROGRAMME**

MAKING THE IMPACT STICK

How targeted Technical Assistance can help to create a sustainable PPP programme

A key objective of the GET FiT Uganda Programme was to create lasting and sustainable results. This required a collaborative implementation approach and an adaptive, long-term strategy for capacity building. From inception, GET FiT Uganda focused on delivering lasting impacts by adopting a holistic programmatic approach.

Development projects are generally considered sustainable if they leave a lasting legacy and do not create future dependencies. The key is to establish a clear and common understanding between donors and government stakeholders as to what realistically can – and should – be delivered, and to develop the programme accordingly in combination with targeted Technical Assistance.

During development of GET FiT Uganda, it was essential for the Programme designers to have a sound understanding of the energy sector, the regulatory environment, and the perceived barriers to investment. Equipped with this information, the Programme was developed to fulfil short-term electricity generation needs and to create lasting reform, in the form of a predictable and transparent path to realising projects. Combined with a flexible Technical Assistance programme that was central to ‘plugging the gaps’ in the enabling framework and building the capacity of the electricity regulator (ERA), GET FiT Uganda is expected to deliver a sustainable legacy.

In this Lessons Learned briefing note, we reflect on sustainability aspects and draw lessons from how fundamental features of GET FiT Uganda strengthened the enabling regulatory framework.



“The relevant and long-term Technical Assistance provided through GET FiT has substantially streamlined the licensing processes and built critical capacity. The Authority’s ability to effectively regulate the electricity supply industry, as evidenced through the continued investor appetite to develop projects in Uganda, is significantly strengthened”.



Peter Kakeeto, ERA
Manager - Tech. Compliance & Monitoring

KEY GET FIT FEATURES ENSURING A SUSTAINABLE INTERVENTION

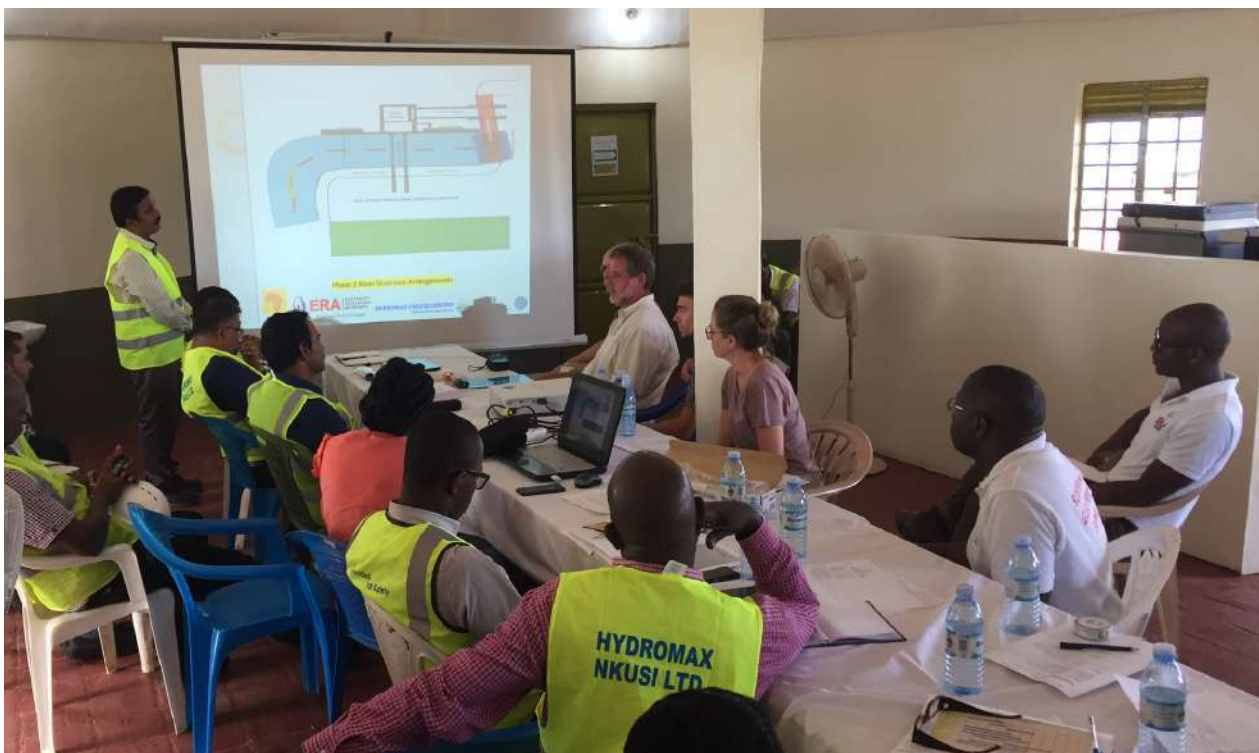
1 Key Ugandan government counterparts were integral to the development of the Programme, from inception through to implementation.

The involvement of the Ministry of Energy and ERA during the inception and planning stages, in conjunction with Deutsche Bank and KfW, created early ownership of the Programme and its results. The Ugandan counterparts tangibly influenced the design, building on the existing regulatory framework. Engaging government counterparts from the outset created a solid basis for a sustainable intervention.

2 The regulator (ERA) was integral in overseeing and participating in day-to-day implementation of the Programme.

Despite several key features of GET FiT Uganda being developed and managed by KfW with the assistance of consultants, conscious efforts were made to integrate and strengthen ERA's role in implementation – from involvement at steering committee level through to day-to-day decision-making. As a result, ERA's general ownership has remained strong.

Instrumental to these efforts was the establishment of the GET FiT Secretariat at ERA offices. Long-term twinning arrangements between the Implementation Consultant's experts and relevant ERA staff ensured that ERA remained actively involved in decision making and in the ownership of new procedures established. In fact, procedures developed during the Programme have been fully integrated into the regulatory framework and project licensing of ERA.

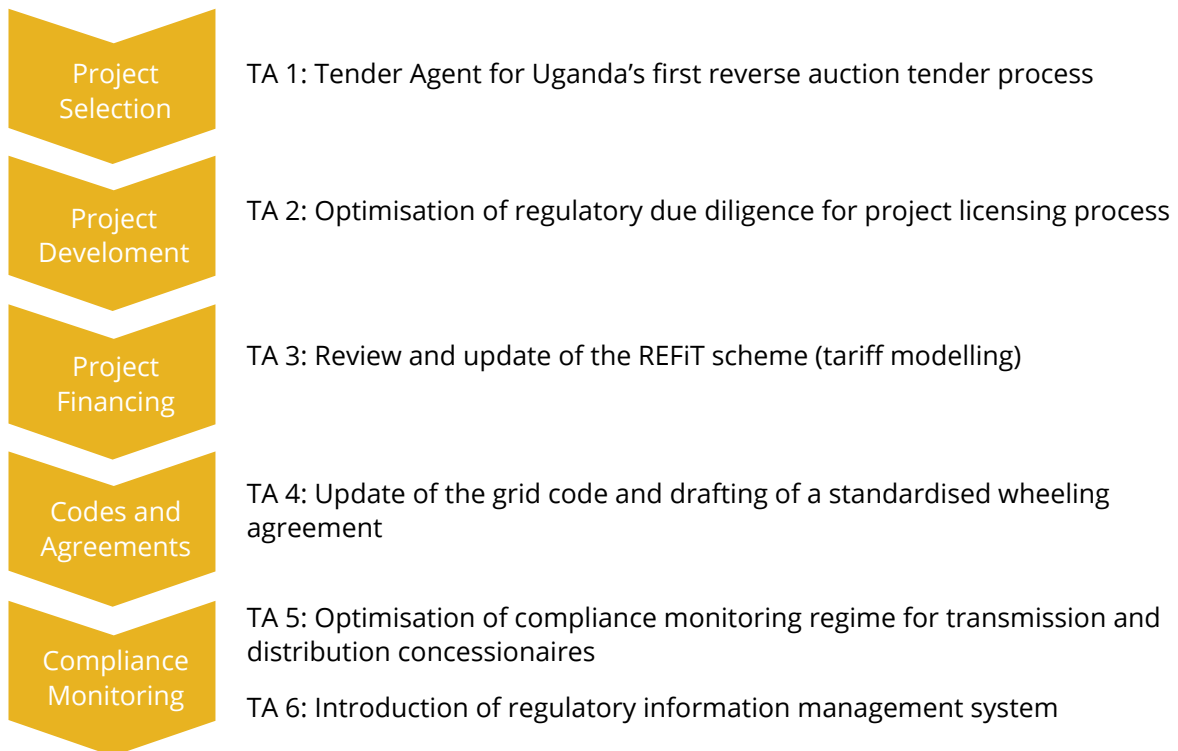


3 The transitory nature of the Programme with a clear and communicated exit strategy ensured that sustainability became a key planning parameter.

As a temporary intervention and instrument for stimulating investment in small-scale renewables, it was important to develop the GET FiT enabling framework to outlive the Programme's direct support phase. The different elements were thus designed against this backdrop, to engender a smooth transition following the conclusion of the support.

4 The Technical Assistance interventions were tailor made and highly relevant, based on demonstrated and real needs in ERA.

Through its support to a portfolio of 17 small-scale renewable energy generation projects within a relatively short time window, GET FiT introduced significant pressure on ERA and other relevant authorities in Uganda. Through stress testing the system both real bottlenecks and capacity gaps became visible. All Technical Assistance components were developed in close cooperation with ERA, with a strong focus on identifying actual and emerging needs as well as additional assistance requirements over the implementation period. The fact that GET FiT was not restricted to any narrow understanding of capacity building or pre-defined Technical Assistance activities was helpful in providing targeted and relevant capacity building.



GET FiT Technical Assistance (TA) targeted bottlenecks throughout the project development cycle. In addition to the overarching twinning arrangement between the Implementation Consultant and ERA, a total of six Technical Assistance components were implemented. The interventions were diverse, ranging from operational support to provision of documentation, systems and protocols essential for regulation of small-scale renewable projects.

REALITY-CHECKS

Implementation experience from GET FiT Uganda points to several reality-checks that should be kept in mind when designing and implementing Technical Assistance in a long-term PPP programme:

1 The delegated authority granted to KfW from the Government of Uganda was instrumental for successful implementation of the Programme.

Through this setup KfW was entitled to procure, contract and implement on behalf of the Government. The arrangement expedited implementation and contributed to timely decision making and closing of processes. When balanced with close collaboration and involvement of the relevant government counterpart institutions at every step, delegated authority can be an efficient implementation arrangement. However, this approach may also introduce or increase risks related to exit and long-term sustainability. This trade-off needs to be considered carefully when setting up any PPP governance structure.

2 An inflexible and narrow support approach can jeopardise sustainable outcomes.

Initially, GET FiT Uganda had a clear and limited focus on supporting the regulatory and investment environment for small-scale renewables. Without the flexibility to adapt its approach, GET FiT Uganda would not have been able to broaden its assistance to developing aspects of the regulatory framework and institutional capacity that were vital, although initially unforeseen, to the success of the Programme.

3 Technical Assistance should provide appropriate tools as well as the required technical capability to operate them.

While education and knowledge levels are adequate in many implementing agencies, the agencies' staff often lack hands-on experience to execute their mandate effectively. While procedures may be available on paper, staff often lack sufficient experience and training levels to execute new procedures and tools. It is therefore key to ensure that relevant staff directly work and interact with the external advisors in hands-on settings.



4 Infrastructure development is a multi-stakeholder endeavour.

Regulation and project development in the Ugandan power sector requires integrated coordination between several stakeholders and government institutions. PPP programmes must be cognisant of this situation and designed to establish stakeholder interfaces that can directly influence the outcome. The major bottleneck for delivering successful and sustainable results might not be within the control of the government partner directly involved in the implementation. This may be particularly true when the infrastructure supported is embedded in a broader infrastructure network, such as a transmission network as was the case during GET FiT.

5 An oversupply of donor funded capacity building initiatives can be a threat to effective project implementation.

During GET FiT it was observed that government agencies receive partly overlapping Technical Assistance, and are generally inundated with coordination meetings, consultations, and training sessions proposed or requested by various donors. The lack of effective coordination between donors does not only prevent meaningful synergies, but can also result in provision of training on identical topics multiple times within a short timeframe.



With this technical assistance component, the GET FiT Program continues to address important shortcomings in the sector. With the optimized framework for ERA's permit and licensing procedures, developers and investors like us now benefit from standardized process, documentation and communication requirements with the regulator. This will result in reduced transaction costs and timelines, which positively contributes to further enhance the viability of renewable energy project development in Uganda.



Daniel Schultz
Investment Director & Partner
DI Frontier (Hydro Sponsor / Developer)



KEY LESSONS

Concluding remarks to potential planners and funders of future programmatic PPPs targeting sustainable, long-term impacts:

In a long-term programme, provision of Technical Assistance should not be entirely pre-defined but have sufficient flexibility to adapt to real and emerging needs identified during implementation.

Provision of Technical Assistance must be able to adapt to new intelligence and emerging needs, which requires donors to structure such programmes in a flexible way and provide funding accordingly. With its flexible design, GET FIT provided Technical Assistance based on observed gaps as well as needs identified by ERA.

Technical Assistance should target mid-tier and junior staff.

To maintain the legacy of the programme beyond the implementation phase, young talent should be identified and provided with targeted training to build capacity and enhance skills.

True sectorial change cannot be readily measured in value for money only.

Many sustainable outcomes of GET FIT Uganda cannot easily be expressed in monetary terms, such as having established a framework of bankable project documents or built capacity in ERA. Furthermore, positive and sustainable outcomes may arise, for example, as a result of setbacks, which in turn lead to programme adaptations and optimisations. Such adaptations or optimisations are not easily quantified in a monetary sense. A sole focus on cost and return may therefore be too narrow an indicator to measure value in the form of sustainable outcomes.

Infrastructure development is a multi-stakeholder enterprise.

As such, any design of Technical Assistance should be preceded by an in-depth needs assessment not only focussing on the target government agency as other stakeholders might be the true bottleneck.



ABOUT

The GET FIT Uganda Programme was officially launched on May 31st 2013. The Programme, which was jointly developed by the Government of Uganda, the Electricity Regulatory Agency (ERA) and KfW was designed to leverage commercial investment into renewable energy generation projects in Uganda. GET FIT is being supported by the Governments of Norway, the United Kingdom and Germany as well as EU through the EU Africa Infrastructure Fund. Multiconsult ASA of Norway is the Implementation Consultant.

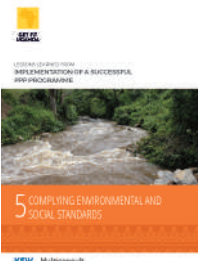
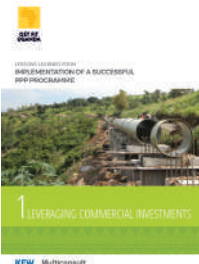
The main objective of GET FIT Uganda is to assist the country in pursuing a climate resilient low-carbon development path resulting in growth, poverty reduction and climate change mitigation. The Programme is fast-tracking a portfolio of 17 small-scale renewable energy (RE) generation projects, promoted by private developers and with a total installed capacity of 158 MW. This will yield approximately 770 GWh of clean energy production per year and leverage close to MEUR 400 in investments for RE generation projects with a limited amount of results-based grant funding.

A more comprehensive description of the tools and approaches applied by GET FIT is found on www.getfit-reports.com.



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