



What is SPEAR?

SPEAR is a Clean Development Mechanism (CDM) carbon finance Programme of Activities (PoA) that will function as a support 'umbrella' for **grid-connected**, renewable energy projects – initially covering four countries of the East African Community (Kenya, Uganda, Rwanda and Burundi). Projects using **wind, hydro, geothermal or solar**, of any scale, are eligible to come under SPEAR.

SPEAR Ltd is the Coordinating/Managing Entity of the PoA under the rules of the UN's CDM. A PoA is a new and efficient way for projects to access the carbon market, and the Uganda Carbon Bureau is Africa's leading PoA developer and operator.

Aims of SPEAR

SPEAR aims to help energy projects to earn the maximum amount of carbon finance from their clean energy activities, in the quickest and cheapest way. **Projects retain all the carbon credits that they earn and are free to sell them to whoever they choose.** SPEAR is not a broker, and will not purchase projects' carbon credits, but will support projects with the selling of their credits if they want.

Clean energy projects are part of the solution to reducing Greenhouse Gas (GHG) emissions, and mitigating climate change.

These projects will provide reliable power to villages, businesses and industries, to help spur local development, and to replace energy sources that have high GHG emissions.

The Advantages of the SPEAR PoA

- Reduces the cost of accessing the carbon market
- An unlimited number of projects can be included, and it is very easy to add future projects, even if they are not currently identified
- It will be much quicker for projects to access the carbon market via SPEAR, compared to being registered as standalone projects
- The negotiating strength of the PoA will get higher carbon credit prices for project owners
- The multi-country umbrella PoA will help unify the energy market of East Africa

SPEAR will provide energy project developers with the following services:

- Briefings on carbon finance opportunities
- Preparation of all CDM documentation
- Support through the inclusion, monitoring and verification processes
- If needed, handling sales of carbon credits on a fair trade basis to maximise returns for projects
- Advice on project financing, including the use of carbon revenues to attract investors

Timeline

The CDM Project Design Document (PDD) was completed by the Bureau and its consultant, South Pole Carbon Asset Management, with support from GIZ/CIM and KfW. The PoA's revised validation began in July 2012 after expanding the scope of the PoA to include large projects, and the PoA will be operational in early 2013.

Renewable energy projects aiming to commence physical work, or to place major orders, from now onwards should make contact with the Uganda carbon Bureau.

SPEAR is a collaboration between the Uganda Carbon Bureau and other partners:

Uganda Carbon Bureau Ltd

- Creating, financing and registering the SPEAR PoA and SPEAR Ltd

SPEAR Ltd

- Managing the inclusion of individual projects under the SPEAR PoA
- Organising the annual monitoring and verification process
- Managing the distribution of carbon revenues

East African Development Bank (invited to participate as a shareholder in SPEAR Ltd)

- Financing the CPAs (if required), and provision of financial advice to SPEAR and the individual projects

KfW PoA Support Facility

- Funding the preparation of the CDM documentation, and the PoA's validation and registration

Further Information

The Uganda Carbon Bureau is currently in the process of setting up PoAs covering improved cook-stoves, plantation forestry, domestic biogas, wastewater treatment, energy efficiency and fuel switch.

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