

IPS and Ministry of Energy and Mineral Development Sign Joint Development Agreement to Produce Green Hydrogen-Based Fertilizers in Uganda

February 15, 2024 - Kampala, Uganda: In a landmark move, the Government of Uganda, through the Ministry of Energy and Mineral Development (MEMD), has partnered with Industrial Promotion Services (Kenya) Limited (IPS) and Westgass Internasjonal AS a green energy company from Norway (working alongside Norfund, the Norwegian Government's Investment Fund for developing countries) to embark on the production of green hydrogen-based fertilizers in Karuma, Kiryandongo District, Bunyoro sub-region. This initiative, championed by the Presidential Advisory Committee on Exports and Industrial Development (PACEID), aims to significantly reduce food and income insecurity in Uganda by substituting imported fertilizers with locally produced green alternatives.

IPS, serving as the infrastructure and industrial development arm of the Aga Khan Fund for Economic Development (AKFED), part of the Aga Khan Development Network (AKDN), alongside Westgass Internasjonal AS, known for its expertise in green energy solutions, are set to harness sustainable green hydrogen technology. This venture not only promises to elevate Uganda's agricultural sector but also aligns with the government's import substitution strategy to enhance food security and elevate income levels across the nation.

The proposed project has also garnered support from likeminded development financial institutions. The Government of Norway, who share a vision for green growth and increasing the green energy footprint in the continent, has committed its financial support through Norad and Norfund.

Galeb Gulam, CEO of Industrial Promotion Services, expressed enthusiasm about the collaborative effort: "We are delighted to unite with the Ministry of Energy and Mineral Development and to gain the support of PACEID in this transformative endeavor. We are very excited to be part of this catalytic project that reflects our commitment to climate action and the overall sustainable development agenda. This multifaceted project will contribute towards fostering low-carbon economic development and promoting sustainable agriculture

Kinar Kent, CEO of Westgass Our joint commitment to sustainable development is set to foster economic growth, making a significant dent in the importation of fertilizers and tackling food and income insecurity head-on. This partnership is a testament to our dedication to environmental sustainability and the economic empowerment of Uganda."

Odrek Rwabwogo, Chairman of PACEID, emphasized the project's potential impact on Uganda's export capabilities: "Utilizing Uganda's rich natural resources and innovative technologies, this project is poised to propel the agricultural sector towards achieving the ambitious \$6 billion export target. PACEID's role is to boost export capacity, explore market opportunities, and cultivate a conducive environment for agricultural enterprises, ultimately benefiting farmers, rural communities, and the nation at large."

The signing ceremony marks the commencement of a promising journey towards revolutionizing Uganda's agricultural sector through the adoption of green hydrogen technology. This initiative not only aims to improve food security and economic development but also underscores the importance of public-private partnerships in achieving sustainable growth.

The Norwegian Ambassador, Anne Kristin Hermansen, said, "With substantial investment from Norfund, Norad and Westgass Internasjon AS, this project is a good example of how Norwegian public and private financing come together to fund bankable and sustainable projects that will have a long-lasting impact on Uganda's economy. The Norwegian Government welcomes this investment as it aligns with our priorities of improving Uganda's food security while utilizing the country's renewable energy resources."

About Industrial Promotion Services (Kenya) Limited: Industrial Promotion Services (Kenya) Limited (IPS) is a preeminent developer and investor in sustainable projects across Africa, focusing on agriculture, energy, infrastructure, and manufacturing. As an integral part of the Aga Khan Fund for Economic Development, IPS is dedicated to fostering economic and social development, prioritizing environmental conservation and sustainability.

About the Ministry of Energy and Mineral Development: The Ministry of Energy and Mineral Development is a pivotal government entity in Uganda, tasked with developing, implementing, and regulating policies for energy and mineral resources. The ministry is instrumental in promoting economic growth, sustainable resource management, and ensuring universal energy access, thereby playing a vital role in the nation's progress.

About PACEID: The Presidential Advisory Committee on Exports and Industrial Development (PACEID) was established to tackle the strategic and operational challenges that hinder Uganda's capacity to maximize its industrial and export potential. By facilitating coordination among Ugandan exporters, producers, government institutions, and international stakeholders, PACEID strives to accelerate the nation's export growth and industrial advancement.

Westgass International is the international project development arm of Westgass Hydrogen, a green energy company focused on accelerating the transition from fossil fuels in Europe and emerging markets. The Company enables customers to run carbon-neutral businesses by 2030, supplying affordable and secure green hydrogen and green ammonia, leveraging on its experience, expertise and network in the energy sector. Westgass is collaborating on this project with Norfund, the Norwegian Investment Fund for developing countries. Norfund's committed portfolio totals 3.1 billion USD in Sub-Saharan Africa, South-East Asia, and Central America. Norfund has four investment areas: Renewable Energy, Financial Inclusion, Scalable Enterprises and Green Infrastructure.

Norad – Norwegian Agency for Development Cooperation – is a directorate under the Norwegian Ministry of Foreign Affairs (MFA). Norad administers the agency's development cooperation grant schemes so that development assistance provided through Norwegian and international partners contributes effectively to poverty reduction and green growth.

Norfund is the Norwegian investment fund for developing countries, which is owned and funded by the Norwegian Government. The Fund invests to create jobs, improve lives and support the transition to net zero. By investing for impact on commercial terms, Norfund is a responsible minority investor working closely with partners.

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