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REEEP: Supporting policy initiatives for clean energy markets, and facilitates financing for sustainable energy projects

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REEEP Secretariat for Southern Africa
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What is the REEEP?

- The Renewable Energy and Energy Efficiency Partnership (REEEP) is a coalition of progressive national governments, businesses and organisations committed to accelerating the development of renewable and energy efficiency systems (REES).
- Timeline of development
 - arose from JHB WSSD in 2002
 - formally established in 2003
 - first year of operation from August 2004
 - Second period of activities commenced April 2005



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Structure and organization

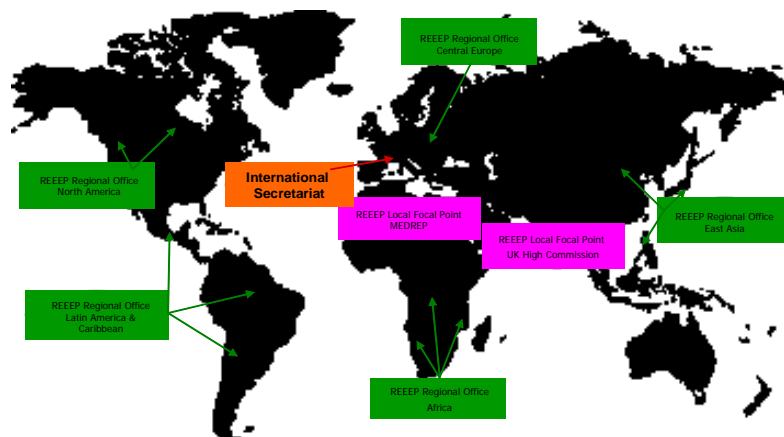
- A governing board, a programme board, a finance committee
- An International Secretariat which is based in Vienna, Austria
- Regional Secretariats which are operating for:
 - Southeast Asia
 - South Asia
 - Latin America and Caribbean
 - North America
 - Central and Eastern Europe
 - Southern Africa
- REEEP's regional secretariats provide access to best practice in policy and finance to promote renewable energy and energy efficiency.
- REEEP's International Secretariat engages political, financial and business support to reduce the risk inherent in implementing new policy and financing initiatives.



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Structure and Organization





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Policy

- Ensure that energy regulators encourage the integration of clean energy, promote the efficient use of power and attract investment to the renewable sector.
- **Established**
- **SERN:** promote integration of energy efficiency, combined heat and power, and renewable sources into energy supply systems.
- **REIL:** ensure that new and existing international treaties take into account the emerging need for diversification into RE and not unintentionally create barriers



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Key focus

- **Policy and regulation**
 - Sustainable energy regulation network (SERN)
 - RE International Law Project (REIL)
- **Financing Renewable Energy and Energy Efficiency**
 - Energy finance forums (Renewable Energy Financiers Network)
- **Awareness (Simultaneous activity)**
 - REEEP website: case studies, resources, contacts
 - REEEP Newsletter
 - Events



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First year objectives

- Deliver the core initiatives to **develop and strengthen the REEEP network and political momentum**;
- **Demonstrate linkages** with other initiatives and partnerships to **maximise synergies** and **minimise duplication**;
- Use the network of experts to develop and adapt existing studies into **toolkits** that are useful for project developers;
- **Demonstrate cost savings** for Governments by drawing from the REEEP "Brain Bank" and toolkits developed for each of the five work streams;
- Focus efforts on **reducing policy risk** - by bridging the policy/finance gap and sharing understanding of regulatory frameworks supportive of REES;
- Avoid focus on 'projects' and **focus on best practice** and assess failures as well as success cases;
- **Achieve and communicate practical results** to maintain political will, strengthen links with credible institutions and foster better project proposals and higher success rates; and
- Identify and communicate the **REEEP legacy** in terms of its network and intellectual capital.



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Southern African secretariat

- AGAMA Energy hosts the secretariat for Southern Africa
- The countries which are specifically covered include:
 - Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland and Zambia



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Existing Projects in SA

SERN - SA: create an enabling regulatory context for more sustainable energy service provision.

- Advance the role for REES in Southern Africa: Research, capacity building, networking, advocacy and communications.
- Collaborate with the international SERN project
- Implemented Regionally (SADC)
- **Key initial outcomes:** conducive policy and more pro-active regulation for REES

Key stakeholders:

AFUR, NEPAD, PURC (GHANA), SADC Energy Sector, SA Power Pool, National Energy Ministries, Utilities, Investment and Finance Community.



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Existing Projects in SA cont.

• TRECs:

- **Activity A: Collection and dissemination of information on TREC systems**
- **Outputs:**
 - Case Study on TRECs
 - TRECs Guidance Pack
- **Activity B: Training seminar**
- **Outputs:**
 - *Training workshop – Pretoria, South Africa March 2004*
- **Activity C: Organising a study tour**
- **Output:**
 - Study Tour to UK for SAPP, NER, Green Power Traders, October 2004
- **Activity D: Support for the development of a pilot TREC systems in southern Africa**
- **Output:**
 - Establishment of a commercial green power market – South Africa, 2005 (BP Head Office); (Gallagher Estate).



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Existing Projects in SA Cont.

- **BE5**
- **Key activities:**
 - Assessing the opportunities for Black Economic Empowerment in Energy Efficiency Enterprises.
 - Establish the market segments energy that businesses are currently active in, and are interested in entering,
 - Skills and management of the existing ESCOs and potential ESCOs
 - Perception of skills and managerial needs
 - Sources of income and project finance
 - Experiences and difficulties in obtaining project finance
 - Perception of opportunities available
- **Key outcomes:** findings analyzed and shared with relevant stakeholders



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Existing projects cont.

- **Renewable Energy Financiers Network:**
 - **Key activities:** GroFin SA is the Project Manager mandated to establish and co-ordinate a Financiers Network under the auspices of the UK GOF.
 - **Focus** on South Africa, Swaziland, Lesotho, Botswana and Namibia. The Financiers Network aims to stimulate financial markets' interest in this sector.
 - **The objectives of the Network can be summarized as follows:** to enhance deal flow; to enhance the quality of deals; to establish innovative financing mechanisms; and to create a financing chain or referral platform. By bringing together all tiers of financiers, the Network will create a better understanding and awareness as to the appropriate position of each in the investment cycle .
 - The Financiers Network is a functioning, free-thinking and informal network orientated towards practical solutions in the financing of RE and/or EE projects. Although this initiative is regarded as a Financiers network, any organization or institution that can add value to the Network and its members is welcome to contact the coordinators in order to discuss participation.
- **Key outcomes:** 4 meetings held to date.



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Existing projects cont.

- Removal of Barriers to Regeneration of Small-scale Hydro Plants
- This project has been delayed pending the Department of Water Affairs and Forestry commits or signs a lease agreement.



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REEEP Bids 2004 -2005

- This latest REEEP call for bids was announced late in 2004 in the REEEP newsletter and on the REEEP website www.reeep.org
- Over 200 bids were received internationally, 27 in Southern Africa
- 7 were short-listed and 2 were awarded in the process



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3rd Round Awarded projects

- Developing a financial model for renewable energy upgrade interventions in urban low income housing,
- Project Implementers: South Africa - SouthSouthNorth

- To develop a financial model appropriate to the South African context, that will enable the national replication of the 'low income urban housing energy upgrade project', currently being piloted in Kuyasa, Cape Town. This development process will consider both CDM and TREC financing mechanisms, for which the energy upgrade project is eligible.



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3rd Round Awarded projects

- Creating Energy Efficiency Financial Models for the South African Urban Water Sector
- Project Implementors: Alliance to Save Energy
- **Key objective:**
- Development of municipal energy efficiency financial models for implementation of energy and water efficiency projects within municipal water supply systems in South Africa.



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Action Plan

- **Highlights:**
- Key programming opportunities for REEEP include:
- Support for decision making regarding the investment in new capacity in the region
- Mobilisation of finance for investment in REES
- Ongoing support for the role of REES within universal access to energy service programmes
- Specific programming opportunities for the secretariat include:
- May 2005, facilitating the REEEP bids process
- Scheduled visits by the Secretariat to the eight REEEP affiliated countries in Southern Africa in June 2005 and January 2006
- Host two regional events with the following themes:
 - August 2005 – Policy and Regulation (Johannesburg)
 - February 2006 – Finance (Mozambique)
- The two meetings will also report back on the findings of the secretariat arising from the two tours through-out Southern Africa regional member states.



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Project bids for 2005

- REEEP is supporting a 4th project bidding round
 - A call for proposals will be made in June 2005
 - The focus will be on Energy Efficiency



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Thank you!



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