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SUSTAINABLE ENERGY FUND FOR AFRICA

Unlocking Africa's Clean Energy Potential for Employment & Economic Growth

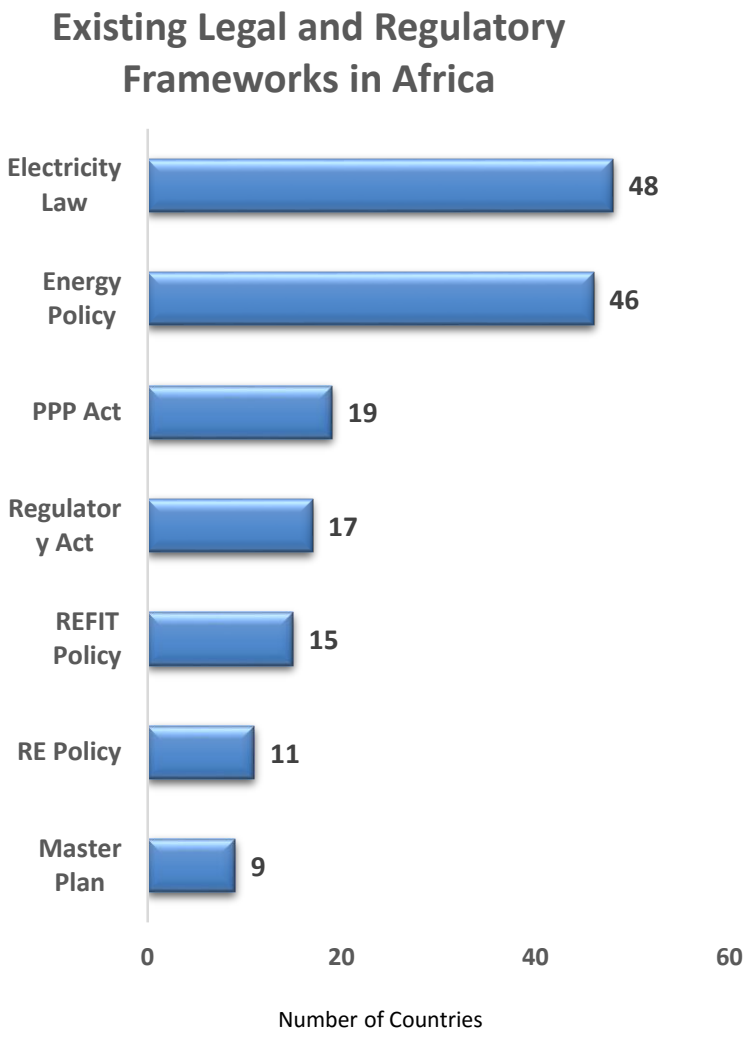
AFRICAN DEVELOPMENT BANK GROUP
GROUPE DE LA BANQUE AFRICAINE DE DÉVELOPPEMENT

MINISTRY OF FOREIGN AFFAIRS OF DENMARK
DANIDA INTERNATIONAL DEVELOPMENT COOPERATION

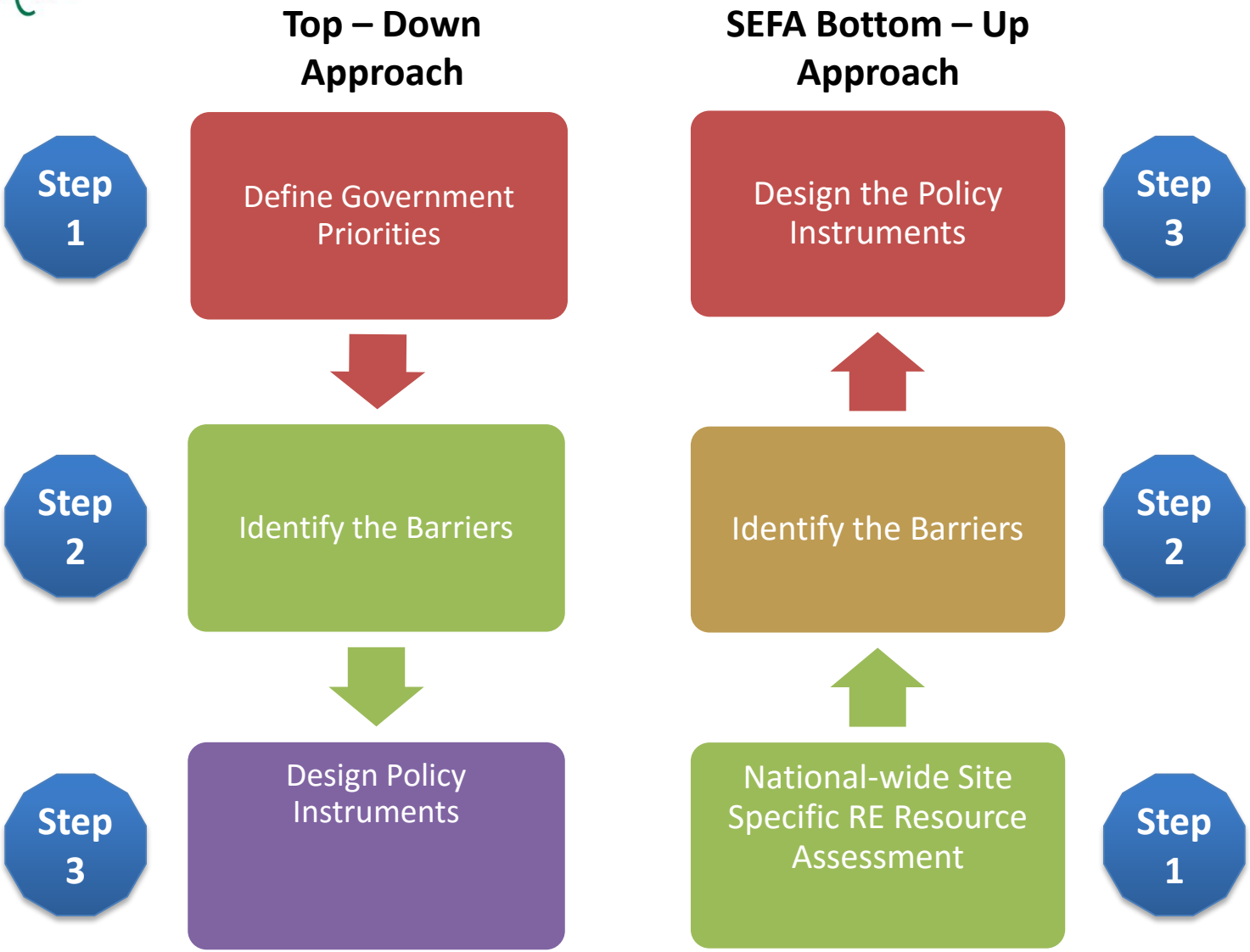
USAID FROM THE AMERICAN PEOPLE

DFID Department for International Development

SEFA Enabling Environment Window Policies vs Unexploited Resource



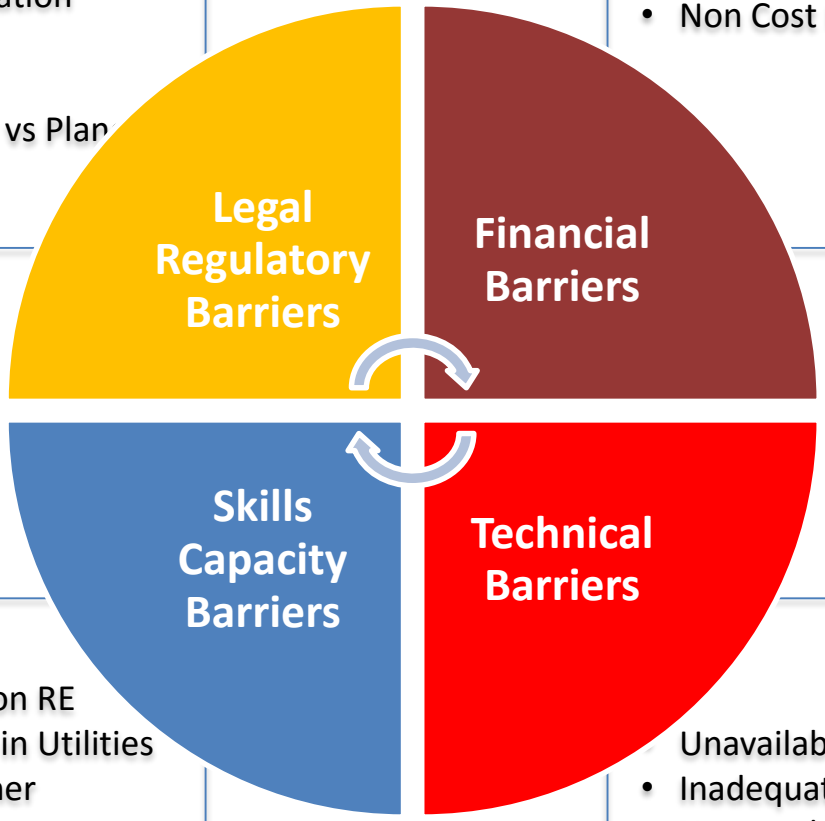
SEFA Enabling Environment
Our Approach



SEFA Enabling Environment Window Key Challenges

- **Unclear roles and responsi**bilities (Laws)
- Unclear institutional coordination mechanism
- Competing policy priorities
- Restrictions at Site e.g. Wind vs Plan
- RE connection guidelines
- Incomplete energy reforms

- Lack of access to finance
- Local currency volatility
- Non Cost Reflective Tariffs



- Lack of technical know-how on RE
- Limited staff dealing with RE in Utilities
- Lack of RE curriculum in higher learning institutions
- Limited no of technicians and craftsmen

Unavailable Renewable Energy Data
- Inadequate Grid capacity
- Untested technology deployed
- Unavailability of customized RE equipment

Policy Instruments Mix

Legal Instruments

- Standardized PPAs
- Grid Connection guidelines
- Licensing procedures
- Environmental regulations
- Codes and Standard
- Investors guidelines

Financial Instruments

- Feed-in-Tariffs
- Auctions
- Renewable Energy Portfolios
- Import tax waivers
- Tax holidays

Information-Skills based instruments

- Capacity Building programs e.g. Tariff modelling, PPA drafting and negotiations, project management
- Knowledge based products e.g.RE Atlas
- Sensitization and Awareness programs

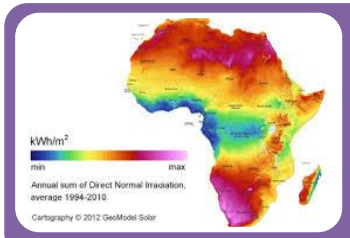
SEFA Enabling Environment Window Portfolio

Comoros: Promotion of Renewable Energy – (USD 490,000 grant approved)

- Develop tariff design and structure, Standard PPAs/Steam Supply, Capacity building of a Renewable Energy Unit – PPA Legal Experts, Tariff Modelling Specialists, PPP Specialist
- Leverage USD 247M private investment in Geothermal
- Status – CP (Recruitment of Procurement Expert) , Awaiting AfDB No Objection

Mali: Energy Sector Policy – (USD 530,000 approved)

- Co-financing by SREP – USD 2,100,000
- Revision of National Energy Policy & Strategy, Standard PPA, Standard Bidding Documents, Guidelines for investors in RE, Capacity Building Program
- Status – CP (Special Account), TOR for SEFA activities developed by GoM



Multinational: Atlas of Africa's Energy Sources – (USD 265,000 approved)

- C0-financing by Infrastructure Consortium for Africa (ICA) – USD 300,000
- Knowledge product - Illustrative maps, charts and comparative images on RE sources (Africa)
- Status – Shortlist of Consulting firms

Mozambique: Feed in Tariff and Mini Grid Policy Framework – (USD 740,000 approved)

- Standardized PPAs, Guidelines for Grid Connection, Investor Guidelines
- Mini-Grid Policy Framework – Tariff Design & Structure, Technical & Environmental Regulations, Capacity Building and Awareness Events
- Status – Grant Agreement Signing

SEFA Enabling Environment Window Key Messages

- Each case/intervention is country specific and projects are highly customized
- Government Commitment is Key to RE Deployment
- Local content and capacity building should be an integral part of all EE interventions.
- Resource Assessment is Vital
- Having the right policies can unlock public and private investments in RE deployment