

A photograph of a wind farm with several white wind turbines against a clear blue sky. The blades are blurred, suggesting motion. The turbines are set on a green, hilly landscape.

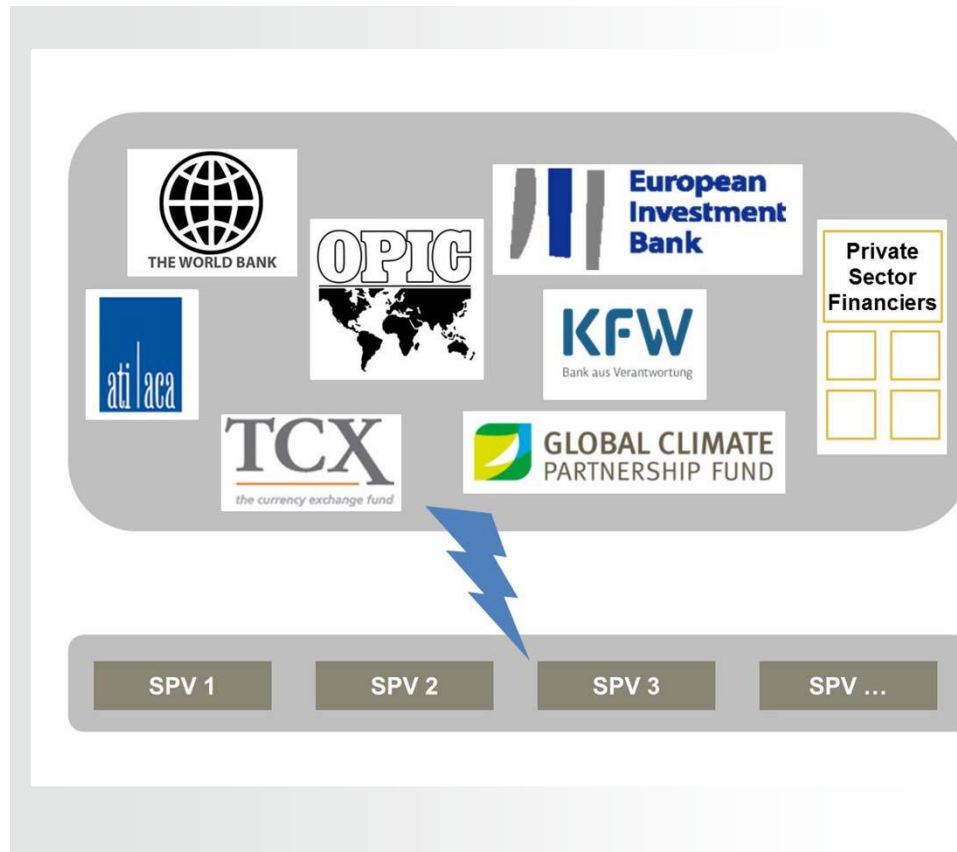
Renewable Energy Performance Platform

Support for small/medium scale RE

- Many technologies are cost competitive to the conventional alternative
- Small/medium projects require shorter construction periods
- Grid connection costs is competitive with large applications esp. in remote areas
- Small/medium scale projects can be more easily integrated in weaker grid systems
- Depending on the context, mini-grids is the least cost option compared to grid extension
- Small/medium projects can provide an alternative source of income
- Power self-generation on production sites for the industrial sector provides can have multiple aims: energy savings, energy security, new revenue stream, etc.



Challenges for small/medium scale RE



- Access to finance for projects is hindered by the lack of bankable projects, experienced developers and low feed-in tariffs that hardly allow for cost recovery in markets where average generation costs are high.
- High (perceived) political risks, doubts regarding the creditworthiness of the off-takers and the unsuitability of available financial products explain the reluctance among banks and other investors
- High transaction risks and consequently high risks of sunk costs combined with low ticket sizes limit appetite of commercial lenders
- High transaction costs burden access to risk mitigation instruments

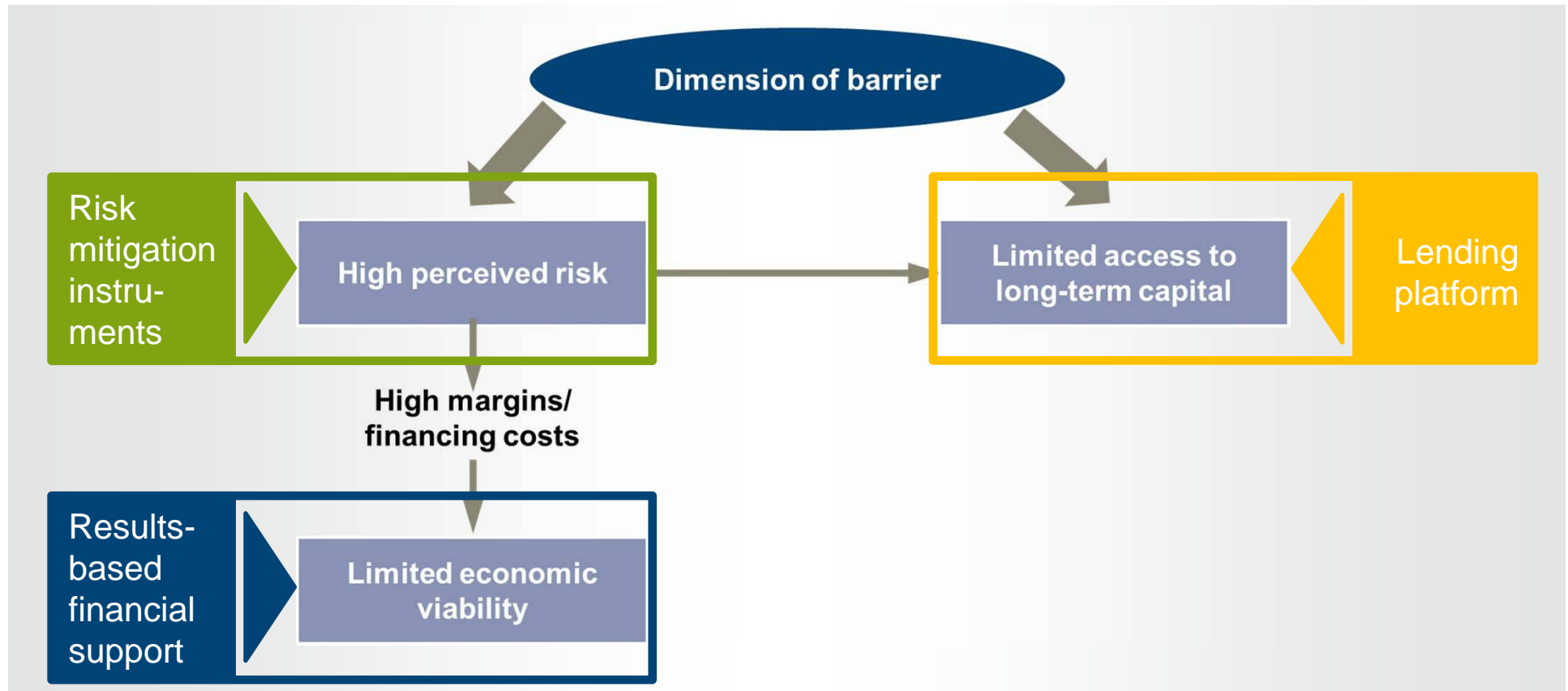
Framework for small/medium size RE in Sub-Saharan Africa



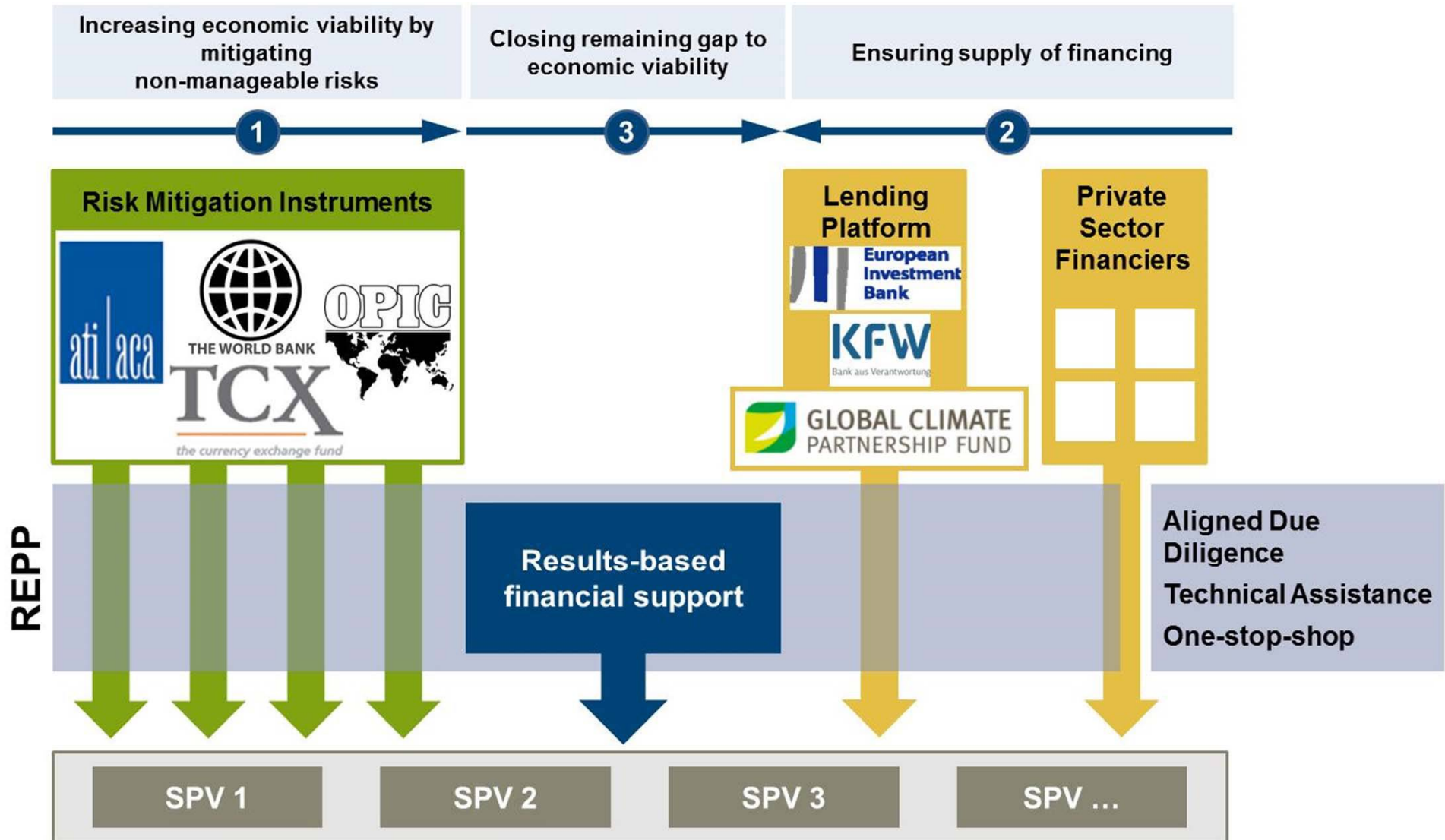
Readiness of the financial and energy sector to small/medium scale RE projects

- Immature, bundled and vertically integrated power sector
- In the process of defining a national energy strategy
- Not ready to attract IPPs (beyond emergency power producers) and too early for private sector lending.
- Process of unbundling and/or privatizing the power sector and of implementing IPP dedicated frameworks, including a specific framework for RE generation.
- Liberalized power sector, open to private actors, with specific regulations dedicated to IPPs, including specific feed-in tariff schemes
- However, exposed to several risks and challenges that keep hindering the up-take of RE technologies on the market.

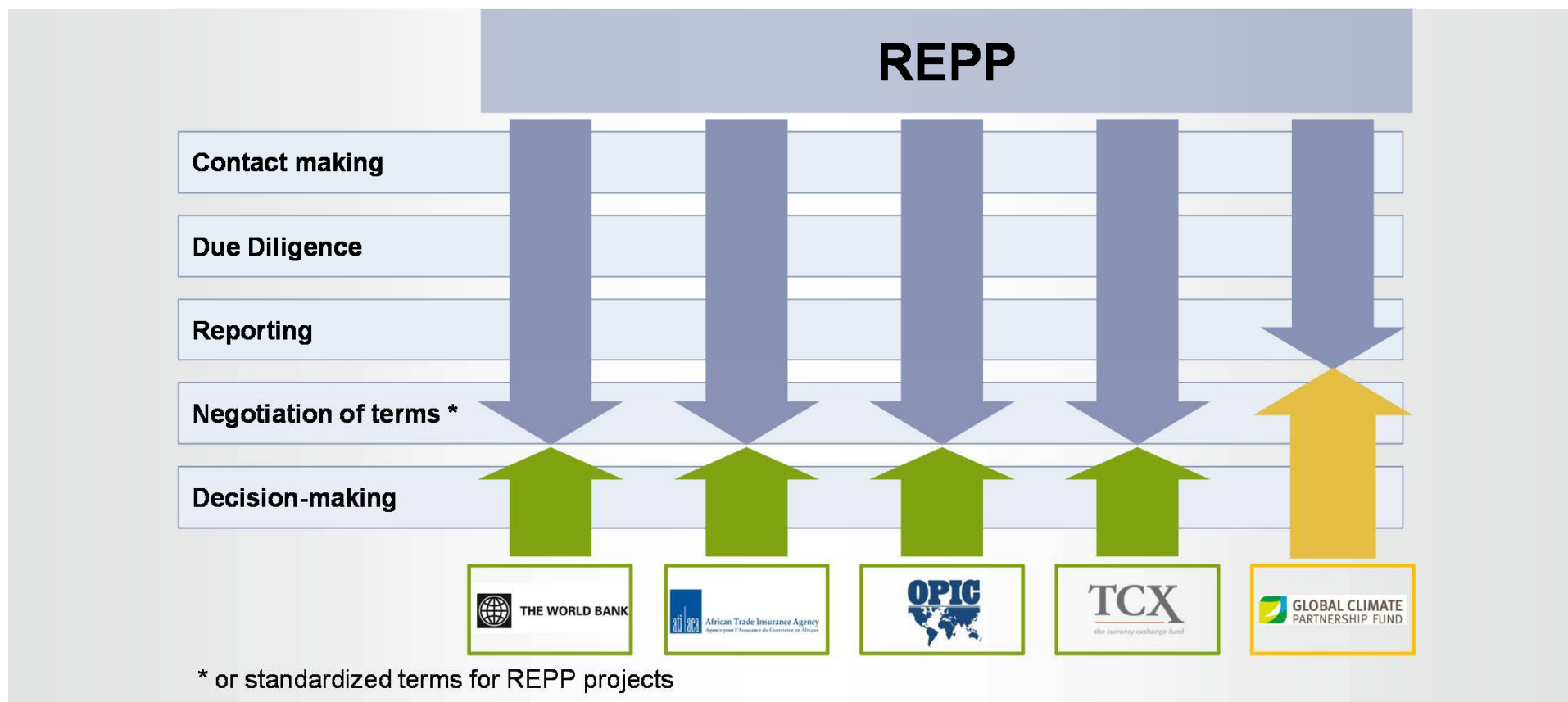
Major barriers



REPP concept



Aligned procedures to reduce transaction costs



REPP targets

- The aim of REPP is to establish a cluster of RE projects that provide a demonstration effect of both policy and financial viability, positioning the targeted sectors for further roll-out.
- REPP aims to help to kickstart the realization of projects under new regulatory support schemes and to accelerate the process of project preparation following the implementation of a new enabling environment.
- REPP seeks to support committed countries in sub-Saharan Africa deliver an initial portfolio of renewable energy projects, based on reducing the cost of finance and improved access to capital.

Financial support as last step to close a potential gap to financial viability

