

Africa-EU Renewable Energy Cooperation Programme

Creating opportunities for renewable energy



Workshop Conclusions

ACCESSING AFRICA'S RENEWABLE ENERGY MARKETS

Opportunities, Success Stories and Challenges

December 4th 2014,
Renaissance Hotel, Brussels, Belgium

Organised by the
EU Energy Initiative Partnership Dialogue Facility (EUEI PDF)



I. Summary report

The Africa-EU Renewable Energy Cooperation Programme (RECP) convened the workshop „Accessing Africa’s Renewable Energy“ on 4 Dec 2014 in Brussels, Belgium, to present **African renewable energy markets, successful business models and challenges**, as well as the **RECP’s scope, activities and services**, particularly with regard to private sector cooperation.

The workshop, which primarily targeted the “gatekeepers” of the European renewable energy private sector, such as industry associations, export initiatives, business networks and chambers of commerce, was well attended, with 53 attendees and speakers from Europe and Africa, mostly from the private sector. It was intended as an information event in preparation to the upcoming matchmaking and other dedicated private sector oriented activities.



Following the introductory comments, during which the European Commission’s DG Development Cooperation expressed its support for the RECP and its objectives, Dan Dorner of the International Energy Agency (IEA) provided an overview of the **current trends and developments in African energy markets**, on the basis of its recent Special Report: Africa Energy Outlook.



In order to present specific example markets and increase awareness, the renewable energy markets of **Nigeria and Rwanda** were presented respectively by Edwin Enwegbara of Eauxwell Nigeria Ltd and by Ivan Twagirashema (left picture) of the Rwandan Energy Private Developers association.

The subsequent discussion highlighted the significant **opportunities for various renewable energy** technologies as well as the **need for substantially more on-grid, mini-grid and off-grid** projects. In this context, the IEA notes that by 2040 mini-grid and off-grid systems would provide electricity to 70% of those gaining access in rural areas, and **that much more electricity generation capacity will be needed to provide electricity access to the vastly growing African population**.

The participants also underlined the crucial importance of a clear, stable and incentivising **renewable energy framework**, the **huge resource potential**, and the high demand for both productive and consumptive use. However, the **political, regulatory, economic and financial risks associated with energy projects in Africa need to be reduced**.

Companies wishing to engage or expand their renewable energy operations need to select the most promising markets based on their individual business models, in order to make best use of current and future opportunities. For example, the **Nigerian market is currently of particular interest for companies providing auto-consumption solutions based on renewable energy**, due to its favourable tax regime for energy investments and its estimated 14-20 GW of currently operated stand-by diesel generators.

For its part, **Rwanda has an outstanding business environment and considerable resource potential, particularly in hydro and solar.** It offers various incentives to investors in renewable energy, implements a lauded rural electrification programme and plans to quadruple its power generation to 563 MW by 2017. Moreover, the development of the Eastern Africa Power Pool (EAPP) implies that its market size is set to significantly increase.

During the afternoon, the workshop focused on **success stories, business models and challenges** in African renewable energy markets. Michael Franz of the EUEI PDF opened the session and presented the market segments per sub-sector, the respective technologies best suited for each market segment, the project volumes and the estimated private sector market potential. He also highlighted a number of successful projects throughout Africa and their underlying business model.

Subsequently, Jotham Majyalibu of Rwanda Mountain Tea Ltd presented its **4 MW on-grid hydropower project in Rwanda** and described its roll-out from project implementation to commissioning. The project now electrifies its factories and sells excess power to the grid, making use of Rwanda's well designed feed-in-tariff for hydropower.



Edwin Enwegbara (picture on the right) of Eauxwell Nigeria Ltd then showcased a number of its **off-grid and mini-grid projects** taking place in Nigeria, varying from solar water pumping to residential and commercial systems. For example, Eauxwell powered ATMs to operate 24/7 on the basis of solar energy, thus solving both the issue of unreliable grid power supply and of expensive and polluting diesel generators.

During the final session, Ina de Visser as Project Manager (below picture) for the RECP presented the **RECP's scope, activities and services**, aiming to promote the development of renewable energy markets in Africa e.g. through facilitating African-European private sector partnerships and access to finance instruments.



The RECP offers services with direct relevance to private sector developers and investors by providing (i) **market information**, (ii) **project scouting and matchmaking**, (iii), **advisory and linkage to financing** as well as (iv) **policy advisory and capacity building** support activities.

Participants displayed considerable interest in the **RECP's private sector services** especially with regard to market information, project scouting and advisory, as well as the linkage to the right financiers.

The ensuing debate stressed the need to **aggregate small projects** to ensure their overall profitability, to make use of **IT solutions** to lower O&M costs and spread risk, as well as to strengthen capacity building. Participants noted the strong demand for **standalone systems** throughout Africa, even in areas close to a national grid, and welcomed initiatives such as the EIB's Renewable Energy Performance Platform (REPP).

In short, the participants welcomed the work undertaken by the RECP, in particular its private sector cooperation and supporting role, and look forward to increasingly contribute to the realisation of Africa's renewable energy and business potential.

II. Agenda

10:30 – 11:00 *Registration*

11:00 – 11:30 **I. WELCOME / OPENING**

- Introduction Michael Franz, RECP
- Welcome Remarks Lennart Deridder, DG DEVCO, EC

11:30 – 13:00 **II. RENEWABLE ENERGY MARKETS IN AFRICA**

- Current trends & development Dan Dorner, International Energy Agency
- Market Example “Nigeria” Orjiako Edwin Enwegbara, Eauxwell Nigeria Ltd.
- Market Example “Rwanda” Ivan Twagirashema, Energy Private Developers
- Q&A

13:00 – 14:30 *Lunch Break*

14:30 – 16:00 **III. SUCCESS STORIES – BUSINESS MODELS AND CHALLENGES**

- Business Models in Africa Michael Franz, RECP
- On-grid project example Jotham Majyalibu, Rwanda Mountain Tea
- Off-grid project example Orjiako Edwin Enwegbara, Eauxwell Nigeria Ltd.
- Q&A

16:00 – 16:30 *Coffee Break*

16:30 – 17:15 **IV. RECP PRIVATE SECTOR SUPPORT AND SERVICES**

- Introduction to RECP Ina de Visser, RECP
- Market Information
- Matching Partners for Joint Business Development
- Project Preparation and Financing Support
- RECP Partner Countries
- Q&A

17:15 – 17:30 **V. CONCLUSION & WAY FORWARD**

17:30 – 19:00 *Cocktail Reception*

III. Participants

No.	Last Name	First Name	Organisation
1	Aerts	Luk	Ecorem
2	Almeida	Diana	-
3	Bannerman	Matteo Francesco	European Parliament
4	Barra	Matteo	Encharter
5	Boucher	Jean-Baptiste	AEBIOM
6	Coenen	Peter	VITO
7	Corbetta	Giorgio	EWEA
8	Cornet	Julian	CMI Industry -Environment Balteau
9	de Villers	Taric	-
49	Ferrini	Luca	Africa-EU Energy Partnership AEEP
10	Fonfatawouo	Issiaka	ARSEL
11	Fried	Lauha	GWEC - Global Wind Energy Council
12	GAHIGA	Kali	Chambre de Commerce Belgo-Hellenique
13	Gill	Carolyn	GWEC - Global Wind Energy Council
14	GOSET	Olive	Chambre de Commerce Belgo-Hellenique
15	GOSET	Pierre	Chambre de Commerce Belgo-Hellenique
16	Guidi	Daniele	Ecosoluzioni
17	Habri	Soufiane	African Side
18	Hanekamp	Emiel	Pfl Partner for Innovations
19	Hubert	Baudoin	Biotec International
47	Huppertz	Alexander	RECP
20	Lecoque	David	ARE
21	Leroux	Jean-Paul	Biotec International
22	Li	Yini	BBH Online
23	Mackaay	Maarten	Berenschot
24	MAHAN	Armand	Général Dossin Sprl
25	Malin	Johan	Flanders Investment and Trade
26	Munagala	Ram	RAR Energy, LLC

No.	Last Name	First Name	Organisation
27	Ndichu	Jacinta	Alliance experts
28	Nyobe	Samuel	ARSEL
29	O'Donoghue	Kerry	PANGEA
30	Orlandi	Sinead	Becquerel Institute
31	Prosser	Isabelle	GWEC - Global Wind Energy Council
32	Roberta	Balduzzi	ARE
33	Rusagara	Darice	EU-AFRICA Chamber of Commerce
34	Sapp	Meghan	PANGEA
48	Scheurlen	Elena	EUEI PDF
35	Schmidlé-Bloch	Virginie	GEODEEP
36	Schwaninger	Markus	GIZ
37	Seydou DIOP	Thierno	Schuman Associates
38	Six	Alain	Hexafin
39	Souter	Andrew	EU-AFRICA Chamber of Commerce
40	Spitzley	Jan-Benjamin	eclareon GmbH
41	Svanikier	Crystal	Energy Charter Secretariat
42	Velasco Martins	Carla	Eupportunity
43	Wasielke	Angelika	DG DEVCO C5
44	Wiemann	Marcus	ARE
45	Wilkes	Justin	EWEA
46	Zewdu Shaul	Ephrem	University of Antwerp



Published by

European Union Energy Initiative –
Partnership Dialogue Facility (EUEI PDF)

c/o Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ)
GmbH
Dag-Hammarskjöld-Weg 1-5
65760 Eschborn, Germany

For more information please contact:
recp@euei-pdf.org
www.africa-eu-renewables.org