SAIREC DECLARATION

adopted at the

SOUTH AFRICAN INTERNATIONAL RENEWABLE ENERGY CONFERENCE (SAIREC)
Cape Town, 4 – 7 OCTOBER 2015

1. Ministers and Government Representatives from 82 countries as well as representatives from the private sector including NGOs, academia, business and industry as well as international organisations and civil society participated in the South Africa International Renewable Energy Conference 2015 (SAIREC, 4 – 7 October 2015 in Cape Town) with the aim of up-scaling and mainstreaming renewable energy in order to achieve a global sustainable energy transition. The SAIREC delegates expressed their conviction that the increased deployment of renewable energy will have a direct impact on improved global energy access, improved energy security, on mitigating greenhouse gas emissions and climate change as well as on sustainable economic development. SAIREC is the sixth meeting in the series of the International Renewable Energy Conferences (IRECs) building upon successful outcomes in Abu Dhabi in 2013 (ADIREC), New Delhi in 2010 (DIREC), Washington in 2008 (WIREC), Beijing in 2005 (BIREC), and in Bonn in 2004 (renewables 2004).

2. SAIREC is the first international conference dedicated to renewable energy in the service of sustainable development after the Conference on Financing for Development (July 2015 in Addis Ababa) and after the adoption of the 2030 Agenda for Sustainable Development in September 2015 by the UN-General Assembly which will be guided by 17 global sustainable development goals (SDGs). Participants of SAIREC considered SDG 7 on sustainable and modern energy for all, with its three targets on access, renewables and energy efficiency, to constitute a solid guiding framework for their deliberations and future cooperation with special focus on RE- energising Africa.

3. With a view to a successful outcome of the 21st Conference of the Parties under the United Nations Framework Convention on Climate Change (UNFCCC), participants further underlined the central role of renewable energy and energy efficiency in global endeavours to mitigate climate change, and its contribution to

the global solutions in keeping anthropogenic induced global warming below the dangerous 2 degree Celsius threshold.

4. Furthermore SAIREC is a building block of international endeavours to give effect to the UN Decade on Sustainable Energy for All (2014-2024).

KEY ELEMENTS TO ENHANCE THE ENERGY TRANSITION WITH RENEWABLES IN AFRICA AND GLOBALLY

5. We note that to **make universal access a reality** by 2030, 1.3 billion people, out of which 621 million in the Sub-Saharan region, should be provided access to electricity. The scale of the challenge requires that all approaches, including grid and off-grid solutions are taken into account and adopted based on national appropriateness and efficiency principles. Rural and urban demands can best be met with a diverse technology mix that takes full advantage of sub-Saharan Africa's exceptional and sustainable solar, wind, geothermal, biomass, and hydropower resources. Furthermore, as of today 2.9 billion people lack access to clean forms of cooking energy which needs to be addressed in order to achieve the universal access target.

6. We acknowledge the **dynamic development that renewable energy has seen** over the last years. Due to the rapid cost reduction, in particular of solar and wind energy, renewable technologies in some markets have become the technology of choice. Together with energy efficiency, it enables sustainable energy access especially for the poor, thus promoting social justice; it creates economic and job opportunities; it improves air quality and mitigates climate change; it can contribute to heightened food and water security and gender equality; and it enhances energy security, human health and sustainable development.

In order to make the global transition to renewable energy happen rapidly, the following elements are crucial:

7. **Promoting transparent and effective procurement process**: This has been identified as one of the restrictive enablers in increasing the rollout of RE projects in Africa and especially in SADC. South Africa's successful renewable energy

competitive Bidding and Procurement process is regarded as the main driving force behind the large interest in the country's renewable energy programme, but also contributing in driving down the costs of RE projects. The SA IPP Unit services and experience has been offered to the SADC Region and Africa to manage their renewable energy projects bidding and procurement processes.

8. **Prioritising renewable energy globally**: The world is richly endowed with renewable energy resources – which should rapidly be developed in support of a low-carbon future. Today, renewable energy technologies are viewed not only as tools for improving energy security and mitigating and adapting to climate change, but are also increasingly recognised as investments that can provide direct and indirect sustainable economic advantages by reducing dependence on imported fuels; improving local air quality and safety; advancing energy access and security; propelling economic development; and creating jobs.

9. Africa is richly endowed with renewable energy resources. Nevertheless, the continent overall is still facing the highest energy poverty in the world. With the support of **financing, technology and institutional capacity building** from developed countries and the private sector, Africa will be able to greatly enhance its economic, social and environmental development using a diversity of renewable energy sources.

10. **Skills transfer and development:** Noting the shortages of skills coupled with limited financial resources for training, increased cooperation in skills development in this sector is a priority. In order to realise Africa's potential as a technological and industrial hub, it is imperative, with the help of regional resource assessment projects, to develop the necessary skills base to facilitate technology transfer, and to ensure that technologies are needs-driven and appropriate for local conditions including undertaking regional resource assessment projects.

11. **Securing financial resources:** A key constraint to the effective execution of both small and large-scale renewable energy projects is the lack of resources for project preparation and development – from concept to financial close and

execution. In addition, most major energy projects require long term finance with repayments linked with project revenue generation. In developing countries the revenue generation can be inadequate to support energy infrastructure projects, interregional transmission and renewable energy projects. Innovative financial tools and mechanisms should be deployed to mitigate such challenges. In this context, we welcome the recent consensus reached on infrastructure financing at the Third International Conference on Financing for Development held in Addis Ababa in July 2015. The newly created Green Climate Fund should also provide a new finance stream for renewable energy deployment. A special challenge to be addressed is how to raise equity for domestic and local investors in developing countries, such as local communities.

12. **Research and Development:** We reaffirm the importance of investments in research, development and deployment (RD&D) and of international cooperation in RD&D for more cost-effective and advanced energy technologies. In many African countries, investments in targeted research and development in the energy sector are much lower than in other comparable sectors of the economy and incommensurate with the scale of the task at hand.

13. **Regulatory Frameworks:** Costs for renewable energy have already decreased significantly, yet sustainable energy will only become available for all if we continue to scale up both grid-connected and off-grid renewable energy deployment to set in motion a virtuous cycle of cost-reduction followed by even more significant scaling up. Consistent and sustained and long-term government policies are important to provide investment security and impact favourably on technology deployment. Supportive, reliable and predictable market and policy frameworks, procurement policies, a level playing field, providing access to affordable long-term finance, all will help increase the uptake of renewable energy. The integration and mainstreaming of renewable energy into national and regional strategies for economic and social development, development of national climate policy, agriculture, industrial development, education, health and family welfare, will further provide more opportunities for scaling-up. We call upon utilities to adapt to this new paradigm of decentralised electricity generation and to develop new business models.

14. We acknowledge the success of **South Africa's Renewable Energy Independent Power Producers Procurement Programme** which resulted in massive upscaling of renewable energy power capacity, while at the same time significantly decreasing electricity generation cost, creating socio-economic and environmentally sustainable growth, and starting a renewable energy industry in South Africa. We underline the value of implementation models that include small-scale community-owned or cooperative initiatives.

15. We emphasize the role that **decentralized energy supply** plays in the global energy transition, especially on the African continent. Off-grid and mini-grid systems, as well as hybrid systems for transition periods play a crucial role in enabling access to energy through renewables in rural areas.

16. We further recognize the role that the integration of renewable energy in **urban planning** can play in improving infrastructure and enhancing quality of life in cities globally and in Africa.

17. We call for cooperative international action to **strengthen human and institutional capacities** in developing countries to achieve the Sustainable Development Goal on Energy, stressing the importance of the United Nation's "Sustainable Energy for All" (SE4All) initiative including IRENA as the renewable energy hub within SE4All and the SE4All Africa Hub hosted at the African Development Bank in partnership with the African Union Commission, the NEPAD Agency and UNDP. We also acknowledge the important role of the Committee of African Heads of State on Climate Change (CAHOSCC) under the UNFCCC. We call for close cooperation and coordination with local and regional actors to mainstream activities.

18. **Localising supply chains and local investment:** Whilst growing African energy economies, we need to increase localization of supply chains for not only the supply of equipment and plants, but also the maintenance and operation of facilities, while recognizing the benefits of and the need for an open market to attract international investments. Installations with local ownership can make sure

that the local communities benefit directly and that they are involved in the planning process. This will create jobs and grow skills as well as may reduce costs and will substantially increase social acceptance.

19. **Integrated planning**: The energy sector does not operate in isolation; infrastructure such as power lines, pipelines, water, and transport are interdependent. Integrated planning is critical to the sustainability and further development of our economies and societies. Furthermore, uptake of renewable energy especially in Africa requires reliable, secure, and efficient transmission infrastructure which can be achieved through regional interconnectivity enhanced by integrated planning and harmonised regulatory policies. A **nexus approach that integrates policies**, especially regarding energy, water and food security, can help to identify synergies and avoid conflicts.

20. We highlight the need to advance **national and regional market designs** including the phasing-out of fossil-fuel subsidies to ensure a reliable, cost-efficient and effective market and system integration of large shares of renewables, guaranteeing the highest possible degree of supply security, while keeping the cost down for consumers and industry.

21. We urge the countries in Africa and also in other continents to develop and implement **National Renewable Energy Action Plans** with clear targets in terms of quantity and time horizon for the deployment of all renewable energies available in a country such as biomass/biogas, wind, solar electricity and heat, hydro and geothermal energy and to coordinate the progress on a continental level. In this regard we welcome the development of **SE4All Action Agendas** as umbrella energy sector development documents looking at access, renewables and energy efficiency in a holistic manner, which are under development in more than 25 African countries.

22. Noting the **significant contribution of women** to society and economies globally and on the African continent, we emphasize the importance of involving women in all stages of sustainable energy development, keeping in mind that

lack of access to modern energy services places a particularly heavy burden on women.

23. We urge an additional effort to **promote sustainable cooking** that concentrates on the deployment of new, sustainable and efficient technologies for the supply of energy for cooking in rural Africa such as adapted biogas installations, improved cook stoves in combination with solar energy, new efficient technologies for charcoal production, programs for reforestation and sustainable forest management.

24. **Regional trade and energy resource development:** We encourage enhanced support from development partners for scaling up regional energy trade and developing of clean and renewable energy resources. We note the urgency to support regional strategies and complete key regional transformational projects that will secure sustainable, efficient and affordable energy supply based on economies of scales and diversification of the energy mix at the power pool level and other associated structures.

25. **Programme for Infrastructure Development in Africa**: We acknowledge the role of PIDA, the Programme for Infrastructure Development in Africa in driving better cooperation and collaboration between national, regional and international bodies to develop a vision, policies, strategies and a programme for the development of priority infrastructure in energy.

26. We welcome **ELECTRIFI** as a unifying initiative facilitating the provision of "patient" capital needed to up-scale access to the energy poor with renewable energy.

27. **Clean Energy Corridor Initiatives:** We highlight the importance of the Africa Clean Energy Corridor initiative, put forward by the International Renewable Energy Agency (IRENA) and endorsed by Ministers from countries of the Eastern Africa Power Pool (EAPP) and the Southern African Power Pool (SAPP) at the fourth IRENA Assembly in January 2014, promoting renewable power to support Africa's economic growth. By 2030, half of all electricity in Eastern and

Southern Africa could come from clean, indigenous, cost-effective renewables, allowing for a substantial reduction in carbon dioxide emissions. This Corridor has become a model of regional cooperation in the action on climate change and should be replicated in other parts of the world.

28. **African Renewable Energy Initiative (AREI)**: We highlight the importance of the African Union Assembly's decision Assembly/AU/16 (XXV) on accelerated access to energy in Africa and the African Renewable Energy Initiative, which has been considered by the Committee of African Heads of State and Government for Climate Change (CAHOSCC) and the African Ministerial Conference on the Environment (AMCEN). We welcome the expression of support for the African Renewable Energy Initiative by the G7 in its Elmau communiqué and the coordination work that is underway between AMCEN and the G20 to ensure synergy with the G20 Energy Access Action Plan.

29. **Regional cooperation**: We stress the importance of regional centers as created by UNIDO and its partners – in particular in Africa ECREEE, SACREEE and EACREEE - as a powerful way to simultaneously address the challenges of energy access, energy security and climate change mitigation and welcome the establishment of a renewable energy and energy efficiency center for the SADC region as agreed by ministers during the 34th meeting of Southern African Development Community (SADC) end of July 2015 in South Africa. Furthermore, we welcome the work of UNIDO and REN21 on regional reports on renewable energy and energy efficiency as reference points for the work of these centers.

30. **International cooperation:** We emphasize the role that international cooperation plays in fostering renewable energy, energy efficiency and modern and sustainable energy access globally and on the African continent.

31. We welcome **close collaboration between IRENA, the International Energy Agency (IEA) and REN21** and contributors to these organisations on collecting streamlined renewable energy data globally, and we encourage further policy development and best practice sharing. The integration and mainstreaming of renewable energy into national sustainable development strategies for poverty

reduction, industrial development, agriculture, education, health and family welfare will additionally provide opportunities for scaling-up.

32. Furthermore, we encourage the participation of African countries in the **International Energy Agency (IEA) Technology Network**, which is an effective catalyser for multilateral cooperation and for sharing best practices in renewable energies.

33. We welcome the **Africa-EU Energy Partnership (AEEP)** as an exemplary strategic cooperation platform between the African continent and the European Union for jointly addressing energy challenges. We further recognize the efforts of the G20 to foster energy access, renewable energy, and energy efficiency.

VOTE OF THANKS

34. We express our sincere and deep appreciation and thanks to the people and the government of South Africa for successfully organising this conference and for their hospitality and generosity.