



For Immediate Release

The Launch of the South African Renewables Initiative in Durban during the UNFCCC COP 17 climate change conference

The development of renewable energy in South Africa gets a boost with the establishment of an international partnership between the Governments of South Africa and the United Kingdom, Germany, Denmark, Norway, and the European Investment Bank

7 December 2011

Durban, South Africa: The South African Minister of Energy, Ms. Elizabeth Dipuo Peters and the Minister of Trade and Industry, Dr. Rob Davies, launched an international partnership today with partner Governments, and the European Investment Bank, in a bid to scale-up and secure long-term funding to enable the growth of the renewable energy industry in South Africa.

Joining Minister Peters in signing the Declaration of Intent on the South African Renewables Initiative (SARi) were:

- Chris Huhne, Secretary of State for Energy and Climate Change for the Government of the United Kingdom;
- Erik Solheim, Minister of the Environment and International Development for the Government of Norway;
- Norbert Röttgen, Federal Minister for Environment, Nature Conservation and Nuclear Safety for the Government of the Federal Republic of Germany;
- Martin Lidegaard, Minister for Climate, Energy and Building for the Government of Denmark;
- Simon Brooks, Vice President for the European Investment Bank.

The Declaration of Intent was signed in the South African city of Durban, which is hosting the United Nations Framework Convention on Climate Change (UNFCCC) Conference of the Parties, COP 17/CMP7

The South African Renewables Initiative (SARi) aims to mobilise domestic and international funding, and sector expertise, to support South Africa to implement its ambitious plans for the scale-up of renewable energy.

South Africa's Minister of Energy, Minister Dipuo Peters, noted that: "South Africa has a large potential for renewable energy, with over 18 GW already included in the current Integrated Resource Plan. South Africa already benefits from international partnerships in the energy field, but this is different: The South African Renewables Initiative will not only contribute towards the growth and deployment of renewable energy, the reduction of greenhouse gas emissions, and enhanced energy access, but, equally importantly, it will also enable South Africa to boost the development of new green industries, and new green jobs in renewable energy and its value chain. "



“It will also serve to meet South Africa’s commitment, which President Zuma announced in Copenhagen in 2009, that South Africa would reduce carbon emissions by 34% by 2020 and by 42% by 2025” Minister Peters concluded.

Expanding on the opportunity, South African Minister of Trade and Industry, Dr. Rob Davies noted that “Renewable energy is an opportunity for Africa. African countries need to become producers as well as consumers of tomorrow’s technologies. As South Africa begins to roll out large scale renewables, we are seeking to do this in a way that maximises industrial and job creation benefits “

”By working together with international partners, we can ensure that there is the funding, investment environment, and skilled workforce in place to enable the renewable energy industry to grow and thrive. The South African Renewables Initiative aims to unlock the environmental, industrial, and economic benefits that large-scale renewable energy offer to South Africa, without imposing an unacceptable burden on our economy, public finances or citizens.” Minister Davies concluded.

Endorsing this, the international partners emphasised that: “SARi will not only provide a means of supporting investment in South Africa, but, as an initiative, will serve as a source for exchange of expertise as well as shared learning and inspiration with other ambitious national initiatives and international collaborations for green growth.”

**ENDS: ADDITIONAL COMMENTS AND INFORMATION ATTACHED
HEREAFTER**

For more information on the South African Renewable Initiative, please go to www.sarenablesinitiative.gov.za

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ADDENDUM 1

KEY COMMENTS FROM THE INTERNATIONAL PARTNERS

Government of the United Kingdom:

Secretary of State for Energy and Climate Change Chris Huhne:

“South Africa’s renewable targets are rightly ambitious, so we need to match that ambition with the private finance to get projects off the ground. To do this, investors and manufacturers need certainty from governments, and schemes like the South African Renewables Initiative to catalyse the billions of pounds that will be needed. This will bring real benefits to South Africa, not just in increasing the amount of clean energy and cutting emissions but creating green growth and jobs.”

Government of [Kingdom of] Norway

Erik Solheim, Minister of the Environment and International Development:

"If we do not take bold action and develop strategic public private partnerships such as SARi to expand the use of renewable energy we will not be able to reach our climate change objectives. South Africa can take a leadership role in Africa to assist other countries in increasing access to energy. Norway has established the international energy and climate initiative - Energy+ which will support developing countries efforts to transform the energy sector to achieve universal access to sustainable energy and decrease greenhouse gas emissions by scaling-up access to renewable energy sources and increased energy efficiency."

Government of the Federal Republic of Germany

Norbert Röttgen, Federal Minister for Environment, Nature Conservation and Nuclear Safety

Germany regards SARi as an important climate, energy and industry policy programme that inherits a high potential of reputation beyond the borders of South Africa. SARi presents an opportunity for enhancing our excellent bilateral cooperation even further with a real mutual benefit in a variety of policy areas. Building on our own experience in transforming our energy system which will have renewables as its backbone, Germany would like to support South Africa to further shape SARi. I congratulate my South African colleagues on this great programme."

Government of [Kingdom of] Denmark

Martin Lidegaard, Minister for Climate, Energy and Building

“We believe that initiatives such as SARi are a key to transforming the energy sector. We see SARi as a visionary model for other big emerging economies which are in the process of introducing renewable energy.”



European Investment Bank

Simon Brooks, Vice President for Climate Action

"South Africa's commitment to scale-up the contribution of renewable energy promises to deliver a major step change in the deployment of clean energy to power growth across the country. This engagement will create both green jobs and new economic activity. The European Investment Bank looks forward to working with South African partners both to share experience from renewable energy projects around the world and to see how best to support individual schemes."

ADDENDUM 2

PRESIDENT ZUMA ON THE SOUTH AFRICAN RENEWABLES INITIATIVE AT THE WORLD CLIMATE BUSINESS SUMMIT IN DURBAN ON 3 DECEMBER 2011

"The biggest barriers to developing renewable energy in Africa to date are not technological, but financial. In that regard, South Africa has been hard at work in the development and design of financial instruments aligned to our national plans for green growth. During the course of COP 17, we will be launching a key initiative that could kick-start major development for renewable energy generation and industrial development.

The South African Renewable Initiative (SARi) funding mechanism will help us unlock South Africa's green growth potential through the funding of large-scale renewable developments. This will be achieved with the assistance of global partners – donors and Governments, who will provide innovative funding solutions to facilitate it.

Renewable energy still costs more than non-renewable energy, which in South Africa is largely supplied by cheap, abundant coal supplies. It is estimated that the renewables' targets indicated in our Integrated Resource Plan 2010 would add an average incremental cost of around 660 million US dollars to South Africa's annual electricity bill up to the year 2044. The SARi model will enable us to deal with the high cost through low cost loans and other financial instruments combined with time limited pay-for-performance grants.

Let me reiterate that we see in the threat of climate change, an opportunity to develop our green, inclusive, sustainable and shared growth. This would be growth that provides jobs and which improves infrastructure, health, education and all basic services that our communities need to have an improved quality of life. We also see in the response to the threat of climate change, an opportunity for meaningful economic transformation that will create an inclusive economy to contribute to the building of a better life for all. We will be partnering with the business community as we move forward to this new trajectory."



ADDENDUM 3

ABOUT THE SOUTH AFRICAN RENEWABLES INITIATIVE

The South Africa Renewables Initiative (SARi) is an initiative of the Government of South Africa. It has been developed as part of the Industrial Policy Action Plan, and is an integral part of South Africa's National Climate Change Response Strategy.

The aim of the initiative is enable the ambitious scaling up of renewable energy in South Africa, as envisaged in the Integrated Resource Plan for electricity. This would deliver benefits for jobs and industrial development, energy security and regional energy development and would contribute towards South Africa's international commitments, under the UNFCCC Cancun Agreement to contribute towards global climate change mitigation efforts.

The SARi International Partnership has been developed to support these objectives. It will bring together the South African Government with international partners from other governments and development finance institutions to work together towards the aim of developing the enhanced financing arrangements needed to catalyze growth in the renewable industry and associated industrial and economic benefits.

The key task of the partnership in 2012 will be to support South Africa to develop operational financial mechanisms, and to secure funding to enable an ambitious scale up of renewables.

It is envisaged as a growing partnership, which will draw in additional partners in order to enable South Africa to mobilise the scale of financing, needed to achieve its ambitious goals. It is also intended to demonstrate and share learning from an innovative large-scale collaboration to mobilise investment into climate compatible infrastructure and green growth.