

ADB FINESSE Africa newsletter



Financing Energy Services for Small-Scale Energy Users - ADB FINESSE AFRICA NEWSLETTER 1.1, APRIL 2004

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The FINESSE Africa program is funded by the Royal Dutch Government through its Ministry of Development Co-operation, and executed by the Sustainable Development and Poverty reduction Unit (PSDU) of the African Development Bank

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From the Editor's desk

This being the debut edition of the ADB FINESSE Africa project's newsletter, we have invited Dr. Yogesh Vyas, Head of Sustainable Development and Poverty reduction Unit (PSDU) of the African Development Bank (ADB), to introduce the newsletter.

We are excited to announce the launch of the ADB FINESSE Africa Newsletter. The ADB FINESSE Africa program seeks to increase access to energy in Africa through developing capacity to identify and develop renewable energy and energy efficiency projects across Africa. The capacity building is directed to both the African Development Bank (ADB) and its Regional Member Countries. This newsletter, which will be widely distributed within the Bank and across Africa, is one of the many activities of the ADB FINESSE Africa program. You will be informed on a monthly basis of the program activities through this newsletter.

The overall aim of this newsletter is to provide a platform for exchange of information, knowledge, experiences and best practices that will lead to widespread dissemination of renewable energy and energy efficiency technologies in Africa. We therefore invite all stakeholders in the field of renewable energy and energy efficiency to take this opportunity to contribute their articles, project summaries, opinions pieces and such other information that will contribute towards the goal of this program.

We are grateful to the Dutch Government through its Ministry of Development Co-operation for financing this important initiative. Access to energy is central to all poverty reduction and sustainable development efforts everywhere. We will strive to ensure that this program will result in the Bank and other stakeholders investing more in renewable energy and energy efficiency and also give access to energy, the prominence it deserves in developmental work.

We would like to thank Vice President, Policy, Planning and Research, Mr. Chanel Boucher, for his consistent support for this program.

Yogesh VYAS
Head
Sustainable Development and Poverty reduction Unit (PSDU)
African Development Bank (ADB)

Introducing the FINESSE Africa Program

The provision of affordable, reliable and environmentally friendly modern energy services is central to poverty reduction and hence sustainable development efforts.

The production and use of this energy has to support the three dimensions of human development namely, social, economic and environmental for it to be sustainable. Despite the vast potential of energy resources available in Africa, 92% of the rural population does not have access to modern energy services. In fact, while Africa has 13% of the global population, it only consumes 3% of the electricity consumed globally.

Multilateral and bilateral agencies' traditional strategy of supporting large-scale investment in incremental power generation, transmission and distribution has failed to meet the rapidly accelerating energy demand across the continent. Moreover, the majority of the population that is not connected to the grid has remained "in darkness" regardless of the massive investment in grid electricity. It is in this light that efforts have to be directed at providing electricity to the rural population. With traditional grid extension becoming excessively expensive to provide rural areas with electricity, decentralised re-

newable energy and energy efficient technologies that make use of locally available resources come into the picture.

Investments by the African Development Bank (ADB) in renewable energy and decentralised power supply from 1967 to 2001 have been very minimal. Of the over \$ 3.4 billion invested in the energy sector by the Bank Group, investments in renewable energy projects accounted for just 1.1%. The lion's share of the money spent on renewable energy and energy efficiency went into studies. To address issues of sustainability and environment consciousness, there is a need to increase the Bank's focus on renewable energy and energy efficiency projects. Increasing the Bank's attention to this sector calls for increased capacity within the Bank and its regional member countries on how to identify, develop and implement such projects.

In light of the above, the ADB FINESSE Africa program was conceived to help promote widespread dissemination of renewable energy and energy efficiency technologies in Africa, so as to fight poverty by increasing access to modern energy services by the majority poor. In June 2002, the

Dutch Government, through its Minister of Development Co-operation entered into an agreement with ADB, where the Dutch government would provide grant funding of US\$ 5.3 million to support FINESSE Africa over a period of 4 years. The overall goal of the ADB FINESSE Africa program is to assist countries in Africa, working through the Bank, to formulate appropriate policy and regulatory frameworks and develop capacity to generate a pipeline of investment projects in renewable energy and energy efficiency. The FINESSE approach will thus focus on pre-investment activities (policy dialogues, institutional strengthening and capacity development) to support the dissemination and commercialisation of renewable energy and energy efficiency technologies across Africa. The specific objectives of this initiative are to increase capacity of the Bank staff to deal with alternative energy issues, establish regional member countries' ownership and commitment to renewable energy programs, operationalise renewable energy in the Bank's projects and programs and identify and prepare alternative energy components to be included in the Bank's portfolio.

The ADB FINESSE Africa program team



We would like to take this opportunity to introduce the ADB Finesse Africa team to you. The FINESSE Africa program is housed within the Sustainable Development and Poverty Reduction Unit (PSDU) of the African Development Bank, under Vice President Chanel Boucher for Policy, Planning and Research (PPRV).

On the picture from left to right: Yogesh Vyas, Wim Klunne, Aimee Bella, Chanel Boucher and Alois Mhlanga.

The contact details of the team are as follows:

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Program Steering Committee

A Steering Committee has been set up to provide guidance on strategic decisions during program implementation. Specially, it will advise on policy, strategy, program development and implementation modalities, review the project performance and approve the annual work program. The current members of the Steering Committee are:

- Mr. Y. Vyas, Head PSDU
- Ms. A. Bella, Environmental Specialist, PSDU, ADB FINESSE Africa taskmanager
- Mr. A. Dualeh, Principal Cooperation Officer, PPLB.3
- Mr. F. Kufakwandi, Principal Forestry Officer, POPR.1
- Mr. J. Kanyarubona, Principal Infrastructure Specialist, POPR.1
- Mr. M. Cissé, Senior Infrastructure Engineer, OPSD.2
- Mr. J. Ribeiro, Senior Irrigation Engineer, ONAR.2
- Mr. H.R. Heeroo, Senior Power Engineer, OCIN.2
- Mr. B. Ram, Principal Power Engineer, ONIN.2
- Mr. N. Touré, Microfinance Expert, AMINA

Snippets from the FINESSE calendar

The ADB FINESSE Africa program team will use this section to update stakeholders on ADB's activities in renewable energy and energy efficiency across the continent. We will also take the opportunity to update you on current as well as upcoming activities.

The ADB FINESSE team is currently busy developing training programs that will be used for capacity building activities for Bank staff and Regional Member Countries' officials in the energy sector. We are also establishing contacts with key project stakeholders that include UN bodies, (inter)national organisations, regional organisations, non-governmental research institutions, bi-lateral and multi-lateral organisations. The ADB FINESSE Africa program is collaborating with the Private Sector department of the Bank on two initiatives. The first is a study on strategies to explore the potential of wind energy across Africa. This initiative is in its final stages and we promise our readers a report on this project soon. The second initiative involves financing

a feasibility study to determine the potential of using wood waste based cogeneration in Ghana. A report on this initiative will be made available soon.

The ADB FINESSE Africa program will be represented on a number of international workshops and seminars that include the United Nations Convention to Combat Desertification (UNCCD)'s Thematic Network Programme on Renewable Energy in Nairobi, Kenya from 5-7 May 2004, as well as the International Conference for Renewable Energies (Bonn, Germany) from 1-4 June 2004.

The program team is planning to hold a regional consultative workshop later this year. The aim of this event is to discuss the project strategy with key stakeholders and experts to determine the best way to address stakeholders' interests. Invitations will be sent out in due course.

Inviting you to contribute

The overall goal of this newsletter is to provide a platform for the exchange of information, knowledge, experiences and best practises on renewable energy and energy efficiency technologies among all stakeholders that include Bank personnel, regional member countries, policy makers, researchers, private sector investors, NGOs, etc. so as to promote the dissemination of these technologies across Africa. To this end, the editor calls for your participation in the following ways:

- ◆ Articles that have been published or not, that deal with renewable energy and energy efficiency or other relevant issues.
- ◆ Brief reports on projects that you are working on or have completed.
- ◆ Opinion pieces on relevant subjects like energy and gender, energy and climate change, energy

sector reforms, indoor air pollution etc.

- ◆ Updates on technical research that may be ongoing or you have completed.
- ◆ Energy related opportunities that you may have in your institutions.
- ◆ Other news that you feel will contribute towards the overall goal of this newsletter like conferences, call for papers and other events.

The ADB FINESSE Africa program team therefore kindly invites you all to play your part by contributing your articles to this newsletter. We have justifiably high hopes that we will work together to promote renewable energy and energy efficient technologies across Africa so as to improve the lives of the majority that does not have access to modern energy. The contact e-mail address for the ADB FINESSE Africa newsletter is finesse@afdb.org.

Events

In this section of the newsletter we would like to announce events related to (renewable) energy in Africa. These events are not necessarily linked to

the ADB FINESSE Africa program, but might be of interest to you as a reader. Please inform us when you have an event that you would like to be included in this listing.

Renewables2004

2nd World Energy Forum in Bonn, Germany from 1 - 4 June 2004. More information at <http://www.renewables2004.de>

Subscribing to the ADB FINESSE Africa newsletter?

Please ask to be added to our mailing list!

Send your request to finesse@afdb.org