

**Co-financing letters for Leapfrogging South Africa's markets to high efficiency
LED lighting and high efficiency distribution transformers project**



energy

Department:
Energy

REPUBLIC OF SOUTH AFRICA

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DE 10

Dr Naoko Ishii
The Chief Executive Officer
Global environmental Facility
1818 H Street, NW, Mail Stop N8-800
Washington, DC 20433 USA

Dear Dr Naoko Ishii,

RE: CO-FINANCING "LEAPFROGGING SOUTH AFRICA'S MARKETS TO HIGH-EFFICIENCY LED LIGHTING AND HIGH EFFICIENCY DISTRIBUTION TRANSFORMERS".

The Department of Energy (DoE) would like to present its compliments to UNDP South Africa and DBSA and express our appreciation for your contributions in formulating the Programme "Leapfrogging South Africa's markets to high-efficiency LED lighting and high efficiency distribution transformers". This programme is part of government strategic commitment to improving energy performance of electrical equipment and appliances in line with its national policies on energy efficiency, climate change and emission reduction targets.

Other similar Initiatives include Energy Efficient Appliance Standards and Labeling (S&L) initiative; the continued technical and financial support to municipalities for the Energy Efficiency and Demand-Side Management (EEDSM) programme; and the Integrated National Electrification Programme (INEP). The EEDSM programme for municipalities is focusing, amongst others, on the deployment of energy efficient lighting, whilst the INEP programme focuses on the electrification of residential households involving a huge deployment of distribution transformers.

In this context, we are pleased to cooperate with UNDP and DBSA in the implementation of the Project "Leapfrogging South Africa's markets to high-efficiency LED lighting and high efficiency distribution transformers".

As part of the required co- financing contribution, I can confirm an estimated contribution of **USD41 million per year**, as being capital investment contributed to street-lighting technology and transformer installation nationally through the above-mentioned programmes (EEDSM and INEP). In addition, as the Implementing Agency the Department will assign dedicated staff to ensure smooth implementation of the programme with an estimated in-kind contribution to be **USD 412,500** a year.

Looking forward to working with you.

Sincerely,



THABANE ZULU

 DIRECTOR-GENERAL

Date: 29 / 04 / 2019



Mr Ompi Aphané
DDG: Policy Planning and Clean Energy
Department of Energy
192 Visagie street
Pretoria
0001

Date:
3 July 2015

Enquiries:
V Martins
012 421 3225

Dear Mr Aphané

ESKOM'S SUPPORT TO THE GEF/UNDP/UNEP PROJECT: "LEAPFROGGING SOUTH AFRICA'S MARKETS TO HIGH EFFICIENCY LED LIGHTING, APPLIANCES, EQUIPMENT AND HIGH EFFICIENCY DISTRIBUTION TRANSFORMERS"

In line with its ongoing activities on energy efficiency and energy efficient appliances, equipment, lighting and transformers in particular, Eskom is willing to provide in-kind co-financing to the proposed Global Environmental Facility (GEF)/ United Nations Development Programme (UNDP)/United Nations Environmental Programme (UNEP) project "Leapfrogging South Africa's markets to high efficiency LED lighting, appliances and equipment and high efficiency distribution transformers." Eskom's co-financing will support the project in achieving its objectives of:

- developing South Africa's market for LEDs, appliances, equipment on the electricity demand side,
- developing South Africa's market for high efficiency distribution transformers on the electricity supply side, and
- assisting in climate change mitigation, stable power supply and therefore economic development and improved energy access.

As described in the table below, Eskom's on-going activities will support the project in achieving its goals through activities such as advisory services on energy efficiency to commercial and light industry consumers; promotional campaigns to end users on efficient lighting and appliances; and information on Eskom's energy efficient transformer project.

The contribution will take different forms such as manpower, technical expertise, market insights and general support to be provided, for instance, to meetings of the global multi-stakeholder platform, technical task forces, and high-level and expert discussions in support of the actions of developing countries and emerging economies.

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IN-KIND CO-FINANCING ACTIVITIES FROM ESKOM

ACTIVITY	DESCRIPTION	VALUE (In-kind contribution) \$US (1\$=R12,5)
Energy efficiency advisory services	Eskom's energy efficiency advisory service provides advice to commercial and light industry consumers on the benefits and saving that can be achieved with energy efficient products and LED lighting. Eskom's advisory service currently has 60 employees.	\$7 million
Promotions and marketing	Promotional campaigns to end users on efficient lighting and appliances, information sharing, public education and awareness campaigns.	\$ 2 million
Energy efficient transformer programme	Specification development, manpower cost, purchase and installation of 5 000 units by the Operating Unit and Quality Management.	\$ 10 million
TOTAL		\$ 19 million

Eskom, as a partner of the United for Efficiency (U4E) campaign, is looking forward to participating in the national project steering committee with the Department of Energy (DOE), the Department of Environmental Affairs, the Department of Trade and Industry, DBSA, UNDP and UNEP.

Eskom strongly welcomes these important initiatives of the DOE, GEF and UNEP and is pleased to be a participant in them. We look forward to working with the DOE, the UNEP and its partners to accelerate the global transition to efficient lighting, appliances and equipment, high efficiency distribution transformers and making it a success.

Yours sincerely



Thava Govender

GROUP EXECUTIVE: TRANSMISSION AND SUSTAINABILITY



19 March 2019

Dr Naoko Ishii
The Chief Executive Officer
Global Environment Facility
1818 H Street, NW, Mail Stop N8-800
Washington, DC 20433 USA

Dear Dr Naoko Ishii,

Re: Co-funding for project titled - Leapfrogging South Africa's markets to high-efficiency LED lighting and high efficiency distribution transformers

I would like to refer to the consultation meeting on the Project "Leapfrogging South Africa's markets to high-efficiency LED lighting and high efficiency distribution transformers" on 14 March 2019 with participation by UNDP, DBSA, DOE and stakeholders in Pretoria.

As GEF agency we confirm our commitment to implement the Project together with UNDP and the Department of Energy, in particular the outcome on the Energy Efficiency Financial Instrument (EEFI). Related to this we will provide advisory services to clients, and staff time is estimated at USD 1,1 million in-kind over a 4 year period. We also would like to stress that the EEFI will provide grant/guarantee but on the condition that clients provide co-financing (equity or debt).

The EEFI plans to leverage at least four times the EEFI financial support amount (provided by GEF). As it depends on each client's specific situation, and clients have not been identified yet (this will be done during Project implementation), it is not easy to define an exact figure. However, assuming a ratio of one to four, the GEF funding of EEFI (USD 4 million) is leveraged by at least USD 16 million, which we consider as co-financing in cash (ultimately by the clients) to the Project.

We would like to stress that this letter does not represent a formal approval for providing a specific finance amount to clients, but our willingness to manage the implementation of EEFI and provide financing to clients as long as these meet our usual credit requirements.

Yours Sincerely,

Mohale Rakgate
Group Executive: Project Preparation

M. Swilling (Chairman), P.K. Dlamini* (Chief Executive), Z. Monnkgotla,
B. Mosako*, G. Mafwa, B. Mudavanhu, B. Ndamase, L. Namatswerani,
L. Noge-Tungamirai, P. Nqeto, A. Sing

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www.dbsa.org 1685, South Africa, Gauteng

Beijing, 7 August 2017

Subject: GELC, co-financing towards the project "Leapfrogging South Africa's markets to high-efficiency LED lighting and high efficiency distribution transformers"

Dear Ms. Kelly West,

The Global Efficient Lighting Centre (GELC) is pleased to participate, as a co-financier, in the Global Environment Facility-United Nations Development Program-Development Bank project for "Leapfrogging South Africa's markets to high-efficiency LED lighting and high efficiency distribution transformers". GELC is the UN Environment Collaborating centre for Efficient Lighting and shares the same objective of promoting the rapid development of energy efficient lighting technologies in developing countries and emerging economies. GELC assists in the development of national and international standards, performs research into new testing technologies and equipment, offers technical services and training, testing of energy efficient products and provides assistance to other countries regarding policy consultation and development.

I hereby confirm a co-finance contribution to this project of up to USD 150,000 over 3 years. This contribution is subject to project progress, economic developments and overall project delivery.

The GELC's in-kind contribution will mainly focus on support through the delivery of tools, remote assistance and activities to strengthen monitoring, verification and enforcement (MVE) capacities to ensure an effective transition to efficient lighting in South Africa.

Yours sincerely,


Shuming Hua
General Director
Global Efficient Lighting Centre

Ms. Kelly West
GEF Executive Coordinator
UN Environment
Nairobi - Kenya



Economy Division



United Nations
Environment Programme

Date: 11 October 2017

Subject: UN Environment/Economy Division Co-financing for GEF project "Leapfrogging South Africa's markets to high-efficiency LED lighting and high efficiency distribution transformers"

Dear Ms. Dinu,

I have the pleasure of writing to you to confirm the support of UN Environment to the UNDP-DBSA-GEF project "Leapfrogging South Africa's markets to high-efficiency LED lighting and high efficiency distribution transformers". The UN Environment's United for Efficiency initiative will support the project with tools, guidebooks and training through the global GEF project (full name: Global project to leapfrog markets to energy efficient lighting, appliances and equipment).

The UN Environment affirms its desire to support the implementation of this project through an in-kind contribution with an estimated value of US\$ 30,000 over the 4 years. The contribution will comprise staff time during the 4 years from the UN Environment Energy and Climate Branch, including:

- US\$ 20,000 of staff time from the Head of the Energy Unit (P-4) in order to coordinate perspective partners and provide strategic advice to the project.
- US\$ 10,000 of staff time from the Head, UN Environment Office in South Africa to participate in meetings/events and ensure collaboration with other UN Environment projects in the region.

The UN Environment welcomes this important project in South Africa and is pleased to be part of it.

Yours sincerely,


f Mark Radka
Chief, Energy and Climate Branch SEC

Ms. Adriana Dinu
Executive Coordinator
Global Environment Facility
United Nations Development Programme

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30 April 2019

Dear Dr Naoko Ishii

RE: Leapfrogging South Africa's Markets to High-Efficiency LED Lighting and High Efficiency Distribution Transformers (South Africa)

I write to express greatest appreciation for the opportunity to implement the project entitled, "*Leapfrogging South Africa's Markets to High-Efficiency LED Lighting and High Efficiency Distribution Transformers (South Africa)*."

As you may be aware, South Africa's energy security is associated with a multiplicity of challenges. To this end, I would like to indicate that UNDP is highly committed, and pleased to collaborate with all the relevant project stakeholders, particularly the Development Bank of Southern Africa (DBSA), and support project implementation. I would also like to inform you that we will contribute up to USD 600,000 (in kind) for the duration of the project term (five years) to support the implementation of the project.

For direct UNDP South Africa Country Office enquiries, your office may contact the Energy & Environment Focal Point, Dr Janice Golding who can be reached on janice.golding@undp.org

We appreciate the continued support that the GEF is providing in South Africa.

Yours faithfully

Mr Yaya Ba
Resident Representative a.i.

Dr Naoko Ishii
The Chief Executive Officer
Global Environment Facility
1818H Street, NW
Washington, DC 20433, USA