

# South Africa: Energy Efficiency in Public Buildings and Infrastructure Programme (EEPBIP)

The overall objective of the EEPBIP is to reduce Greenhouse Gas (GHG) emissions in South Africa by catalysing an energy efficiency transformation within the public-sector,

## The challenge

South Africa's reliance on coal-based electricity and the inefficient use of energy results in the nation ranking amongst the globe's highest GHG emitters. South Africa, like the rest of the continent remains susceptible to the impacts of climate change, which are compounded by poverty and financial and technological constraints.

One of the measures to mitigate the impacts of climate change is through energy efficiency transformation within public sector buildings and infrastructure. The implementation of such initiatives, however, faces challenges such as access to capital, limited institutional programme support structures, along with skills and capacity constraints.

The EEPBIP has been developed to address these challenges, promoting energy efficiency and reducing the impacts of climate change.

## Our approach

The EEPBIP provides technical and investment support to mitigate technical, institutional and financial risks. The target group includes multiple stakeholders from both the public and the private sector. The direct beneficiaries include stakeholders from the three spheres of government (municipal, provincial and national), who own and manage the buildings and infrastructure, that will undertake energy efficiency interventions within buildings, street lighting and water/waste water treatment plants. The EEPBIP intends to enhance private sector participation by leveraging public and private sector finance, growing the Energy Service Company (ESCO) market, increasing skills and supporting job creation and enterprise development.



Project name	Energy Efficiency in Public Buildings and Infrastructure Programme (EEPBIP)
Commissioned by	Mitigation Action Facility
Project region	South Africa
Lead executing agency	Department of Mineral Resources and Energy (DMRE)
Duration	05/2019 – 12/2026

The Department of Mineral Resources and Energy (DMRE) is the lead implementing partner of the programme. Other supporting partners include the Office of the Presidency, the Department of Public Works and Infrastructure (DPWI), the Department of Forestry, Fisheries and Environment (DFFE), the South African National Energy Development Institute (SANEDI) and The National Business Initiative (NBI). The Industrial Development Corporation (IDC) is implementing the financial component of the programme through the establishment and management of a Partial Credit Guarantee, to provide security on loans to ESCOs implementing public sector projects through an energy performance contracting model. GIZ acts as the delivery organisation on behalf of the Mitigation Action Facility,

The Government of South Africa has thus far initiated a co-funding mechanism through alignment with the Municipal Energy Efficiency and Demand Side Management (EEDSM) Programme. The allocated EEDSM grants given to a municipality may be utilised partially to undertake project preparation activities and pipeline / development and partially as a project capex contribution.



Photo left: KwaDuKuzi © Jakob Lindemann

Photo right: DFFE Building © DFFE



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Photo left: Wastewater Plant Tshwane © GIZ

Photo right: Joburg Civic Center © City of Johannesburg

## The benefits

- **Reduce Energy Consumption** - The Programme sets out to assist South Africa in achieving a considerable reduction in energy consumption within the public sector
- **Leverage Public and Private Sector Funding** - A partial credit guarantee will be established at the IDC to support ESCO investment in energy efficiency measures within public sector buildings and infrastructure. The EEPBIP will support public sector entities to develop high quality bankable projects.
- **Create employment within the energy sector** - Approximately 1800 jobs are estimated to be created through the implementation of projects under the EEPBIP, with a strong focus on local economic development and support to women, youth and Broad-Based Black Economic Empowerment (B-BBEE).
- **Social upliftment** - The EEPBIP will enable public entities to reduce operational costs. The cost savings can strengthen service delivery (eg. Energy access; health care; housing; education etc).
- **Public sector to lead by example** - The initiatives adopted by the public sector to reduce energy consumption will serve as a precedent to other sectors, supporting government's intentions to lead by example and thus transform the entire energy efficiency sector.

## The Mitigation Action Facility

The Mitigation Action Facility, evolved from the NAMA Facility in 2023, as a go-to platform for providing technical support and climate finance for ambitious mitigation projects with an aim of decarbonising key sectors of the economy and society. In 2012, the German and United Kingdom (UK) governments jointly established the NAMA Facility, now known as the Mitigation Action Facility. Denmark and the European Union joined the programme as new Donors in 2015, along with the Children's Investment Fund Foundation (CIFF) in 2021. At the 27th Conference of Parties (COP27) in Egypt, while celebrating the 10th anniversary of the NAMA Facility, the Board announced a name change to the Mitigation Action Facility effective from 2023 and a new spotlight on decarbonising priority sectors. The Mitigation Action Facility continues to fund ambitious climate change mitigation projects to implement Nationally Determined Contributions (NDCs) and long-term strategies (LTS) that are central to meeting the Paris Agreement goals. The Facility primarily focuses on three priority sectors - energy, transport and industry, but remains open to cross-sectoral projects linked to one of the priority sectors. As highlighted in the IPCC's Sixth Assessment Report, energy, transport and industry cumulatively account for more than 40 GtCO<sub>2</sub>e, or 67% of global annual GHG emissions (as of 2021). To shift the targeted sector towards a carbon-neutral development pathway, the Mitigation Action Facility selects innovative projects that can catalyse sector-wide transformational change. These efforts can help close the gap in climate finance required to avoid the worst impacts of climate change. According to the Breakthrough Agenda Report, provision of technical and financial assistance are needed to improve the affordability, accessibility and attractiveness of clean technologies and sustainable practices. This project is supported by the Mitigation Action Facility on behalf of the German Federal Ministry for Economic Affairs and Climate Action (BMWK), the UK Department for Energy Security and Net Zero, the Danish Ministry of Climate, Energy and Utilities (KEFM), the European Union and the Children's Investment Fund Foundation (CIFF).

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