NATIONAL BIOGAS PLATFORM

WG: FINANCING OF BIOGAS PROJECTS

Presented to the National Biogas Conference
05 March 2015 : 10h30-10h45
IDC Sandton
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Present progress of the National Biogas Platform’s Financing Working Group

- Commissioned by the National Biogas Platform to investigate **Finance options** for the biogas industry and provide **Information tool**.

- Only handful of projects funded to date.
- Available renewable energy source in SA.
- Produced from a variety of organic materials & wastes.
- Used to generate electricity, heat and/or cooling or can be upgraded to pipeline quality gas for use as vehicular fuel.
- Still in its infancy in SA with only few plants operating.
- Lack of conducive regulatory & funding environment - changing.
- Opportunities - introduction of the REIPPP programme & other initiatives supporting renewable energy.
- Under the Umbrella of the SA Biogas Industry Assoc.
- Creating awareness & promoting biogas benefits.
Investigate both private & public sector funding for biogas projects (local and international funding sources).

Entails the *key criteria* which most (if not all) funders require to be satisfied before they can consider projects bankable.

Can be a *checklist* to assist developers to judge readiness before approaching lenders.

Exploration of appropriate means of adopting and making localisation beneficial to the growth of the industry instead of it being seen as a hindrance by developers.
TERMS OF REFERENCE FOR THE WG CONT’D

PREFEASIBILITY FUNDING

- Funding sources for conducting pre-feasibility studies with a view to overcome challenges related to implementation funding.

GOVERNMENT ROLE & OTHER INSTITUTIONS

- Determination of specific government (and associated institutions) role/interventions required for the growth and sustainability of the biogas industry.

WORKING WITHIN THE MFMA/MSA

- MFMA seen by most project developers as a stumbling block to the development of biogas projects (where municipalities are involved).
- Intention - assist project developers to work with various legislations (specifically municipal legislations).
PROPOSED APPROACH

- Split **early-stage funding** needs from the **implementation funding** needs.
- The two require different criteria and as a consequence attract different funds.
- **Early-stage** funding refers to financial support required before bankable stage is achieved (idea to bankable).
- **Implementation funding** refers to funding in cases where the bankable stage is already achieved to take the project forward to implementation (*financial close – engineering, procurement, construction, and operation & maintenance*).

WEB TOOL DEMONSTRATION
Tool hosted by SANEDI
Demo by HEINRICH
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