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Private Sector Finance and Expertise for Energy Access

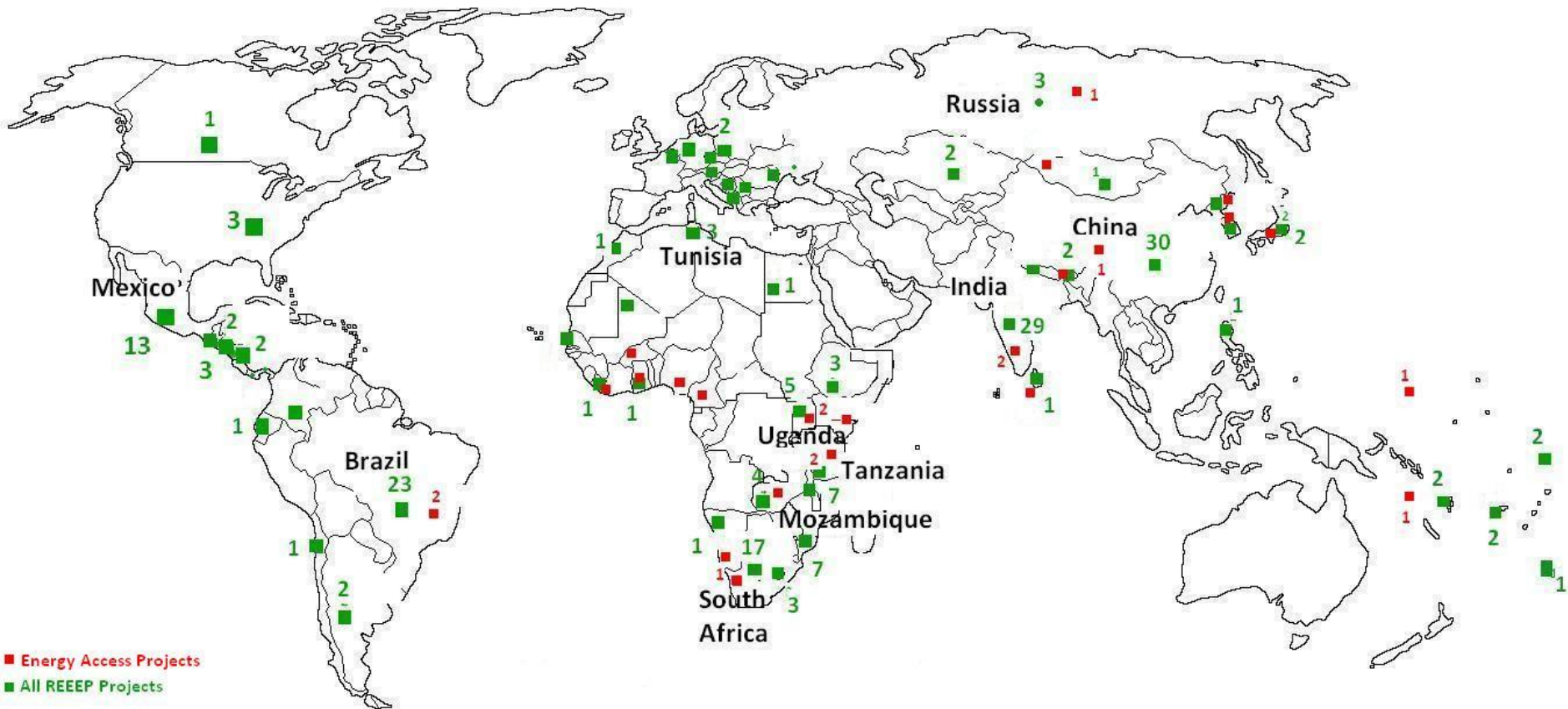
Binu Parthan, REEEP Deputy Director General

What's REEEP



- Global public private partnership active in low carbon energy – RE & EE;
- Launched by UK in 2002 – established 2004 by UK and Austria – WSSD/JPol and G8 RE task force
- 350+ partners, 46 Govts.
- Major support – UK, Norway, Australia, Ireland, Italy, US, Germany, Austria, Spain, NZ.
- 10 energy access projects over 6 years, - 20 countries.

REEEP projects - 129 in 56 countries



Energy Access and Private Sector

- Poor have extremely variable income streams - low entry costs – small payments – Kerosene;
- Poor are not generally served by banking sector and have limited asset base.
- Energy Access Business – Long-term low-return business;
- Poor spend significant portion of their incomes on energy;



Current private sector efforts

- Small enterprises – social business - Lack of scale;
- Focus on electricity –not thermal energy;
- Technology specific (PV, Biogas, Hydro) – limited choices;
- Subsidy schemes distort the market for energy access;
- Low-cost and long term finance not available;
- Driven by donor, philanthropy- Private banks not very involved.



What can work?

- Approaches which have addressed both thermal and electrical needs;
- Technology offerings and choices – (Eg. PV+LPG);
- Energy as service – product-finance packages;
- Effective transaction cost management – local mechanisms, technology;
- Anchor customers – Agro-processing, mobile phone towers



What is required?

- Large-scale local private infrastructure investments;
- Incentive framework – energy access investments;
- Regulatory framework to encourage utilities/service providers to serve the unserved;
- Global financing/incentive framework to catalyse local action.



What are we doing?

- Supporting work on energy access financing – guarantees, margin money financing, social banks, barter – India, Nepal, Solomon, Kiribati
- Deemed off-grid feed-in tariff – Mozambique;
- Business-Integrated Utility, supply chains – South Africa, Uganda, Mozambique
- Business models, capacity building for EA – Brazil;
- 2012- International Year of Sustainable Energy for All – additional set of energy access interventions – SSA and SAs. – 27th May;
- Welcome to partner with REEEP



Thank You

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Pictures from REEEP supported projects.



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