

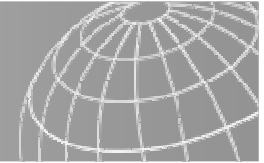
PRODUCTIVE USE OF ELECTRICITY (PRODUCE)

A Manual for Practitioners

**Im Abseits der Netze –
Dezentrale Energieversorgung in Entwicklungsländern**

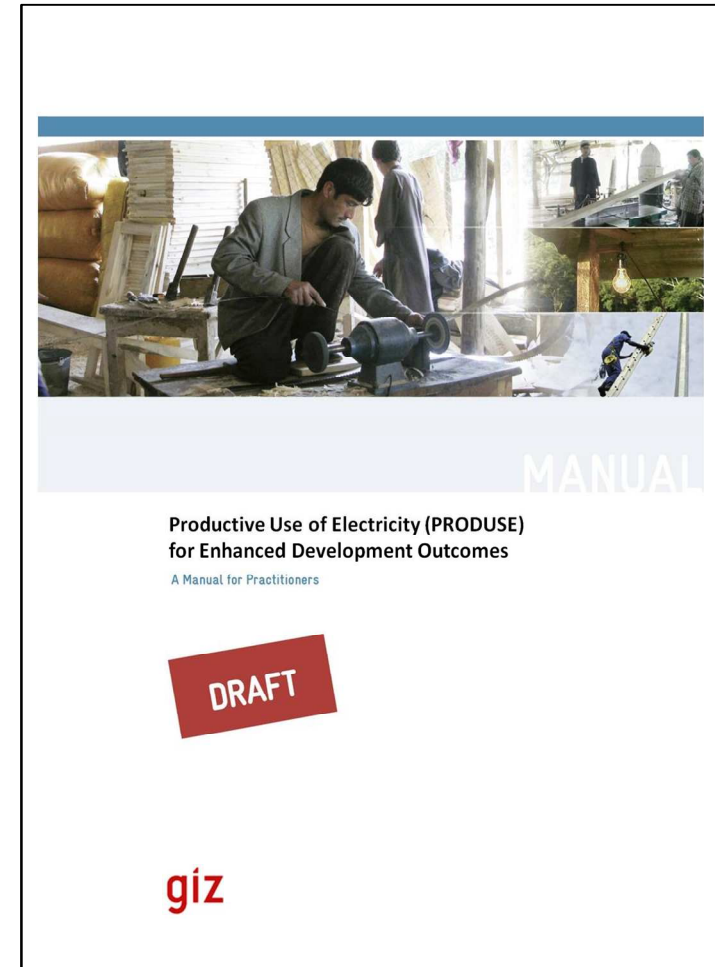
Bonn / 10.01.2011

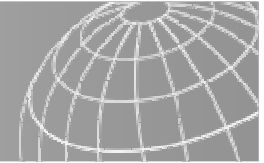
Benjamin Attigah
GIZ - Energy for Sustainable Development



Inhalt

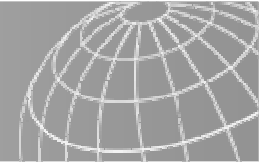
- Warum ein PRODUSE Manual?
- PRODUSE Manual: Ansatz und Inhalt
- Weiteres Vorgehen





Warum ein Manual zu Produktiver Nutzung?

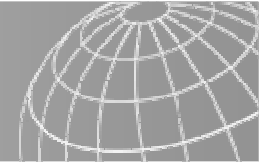
- Produktive Nutzung relevantes Thema für viele Vorhaben
- Nachfrage nach praktischer Anleitung
- Bisher keine umfassende Anleitung für Projekte vorhanden
 - Nur deskriptive Beschreibungen
 - PU als Querschnittsthema (Wirtschaftsförderung)
- Planung von PU-Aktivitäten oftmals 'ad-hoc'
- Z.T. parallele Entwicklung von Arbeitsmaterialien (Rad zweimal erfunden)



PRODUSE Manual: Ziel & Zielgruppe

- Ziel:
 - Pragmatische Leitlinien zur praktischen Umsetzung von Fördermassnahmen im Bereich produktiver Nutzung von Elektrizität

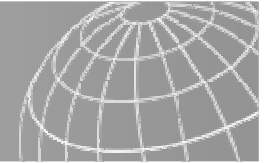
- Zielgruppe:
 - Projektmanager die an Planung, Design und Implementierung von PU Massnahmen beteiligt sind (GIZ aber auch darüber hinaus)
 - Evtl. Auch nützlich für: Energieversorger, MFI, NGOs,...



Vorgehen

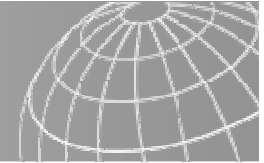
1. Entwicklung der Struktur
2. Auf- und Einarbeitung von Projekterfahrungen
 - GTZ Vorhaben: Tibet, Afghanistan, Brasilien
 - PRODUSE Volume I: Benin, Ghana, Uganda
 - InWent INSABA

➤ **PRODUSE Manual version 1.0**
3. Verbreitung: Feedback, Einarbeitung weiterer Praxiserfahrungen und Tools, Testen der Methodik
 - **PRODUSE Manual version 2.0**

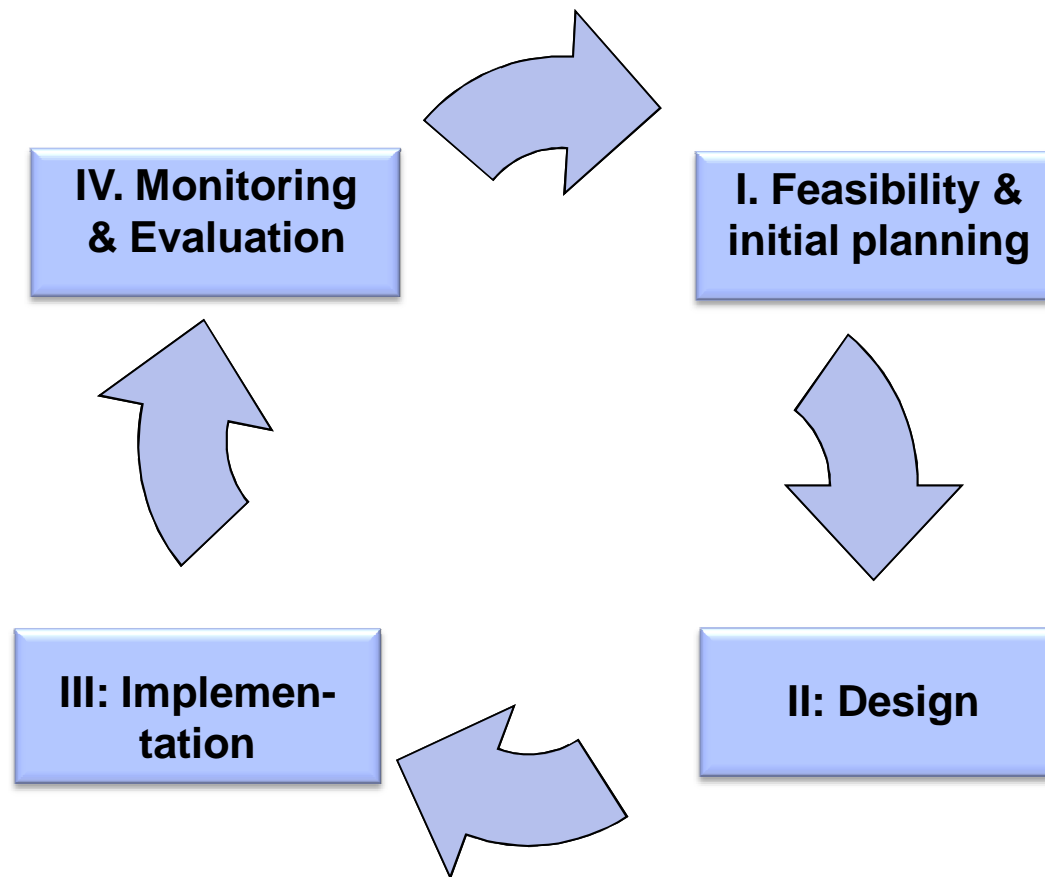


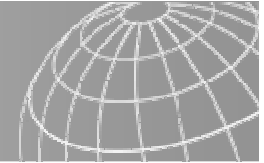
Abgrenzung

- Fokus auf wirtschaftliche Nutzung von Elektrizität (kein Bildungs- oder Gesundheitssektor)
- ‘Versorgungseite’: prinzipiell alle Technologien abgedeckt
- ‘Nutzungsseite’: prinzipiell alle Sektoren
- Derzeit v.a. GIZ/GTZ Erfahrungen berücksichtigt
 - Fokus auf KMU
 - Schwerpunkt auf ländlichem Raum
 - Fokus auf Mikro und Meso Ebene

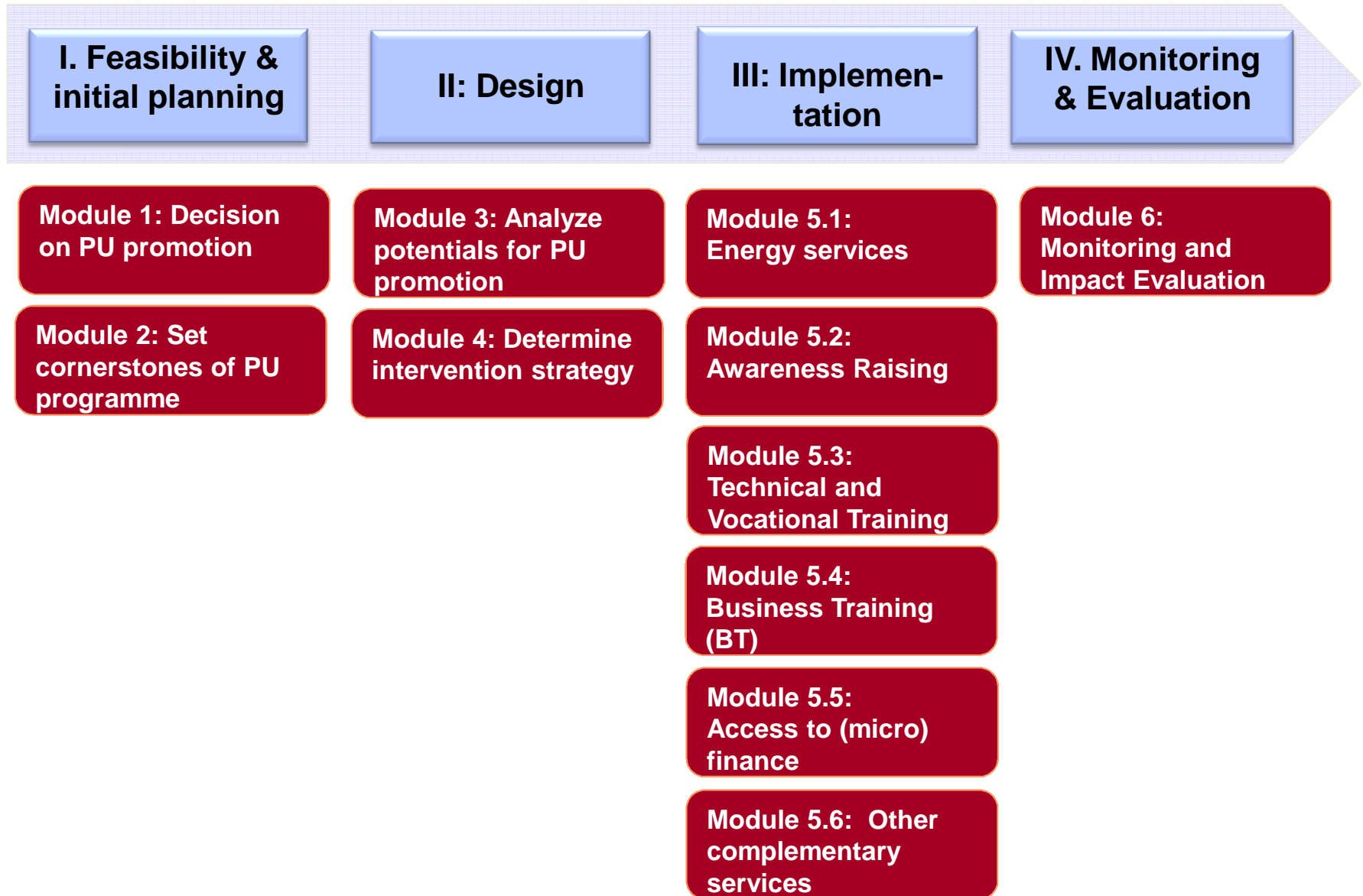


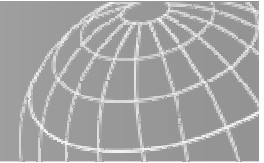
Struktur des PRODUSE Manuals: Systematischer Ansatz entlang des Projektzyklus





MANUAL STRUCTURE





Module 1: Decision on PU promotion

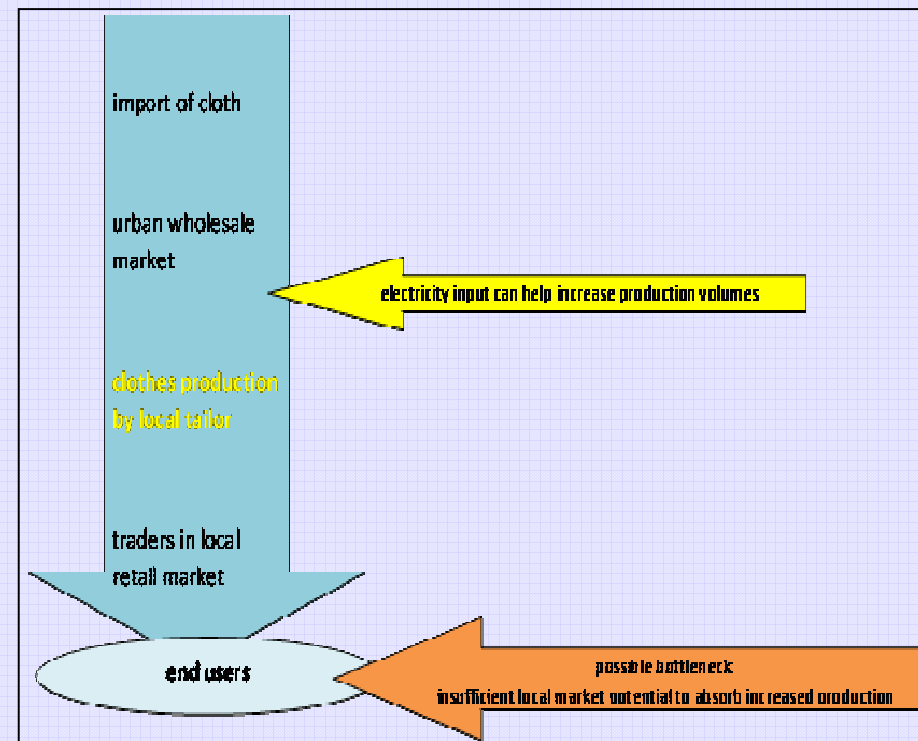
- Introduction
- Task 1:
 - Who should implement this task?
 - ***Material for the practitioner:***
 - Examples from the field
 - Best practices
 - Challenges / risks
 - Methodology
 - Tools
- Task 2:
(...)

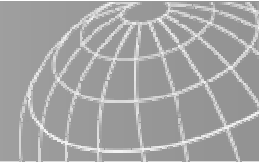
Task 2.3: Set the scope of the PU programme

Box 1: Methodological approach -- Value chain (VC) analysis

Value Chain analysis helps to:

- prioritize PU opportunities for support
- Identify entry points for interventions
- ▶ *PUE programme should seek to address key bottlenecks that are directly relevant for the PU element in the VC*

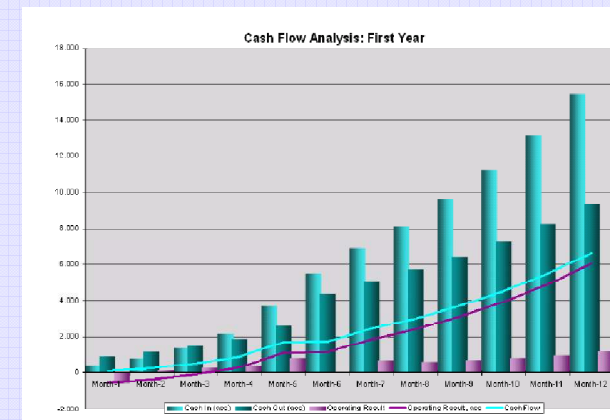
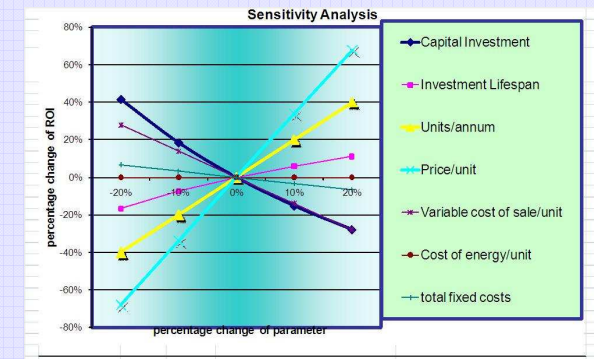


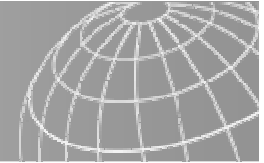


Module 3: Analyze market potential

Box: INSABA tools for market analysis and business planning

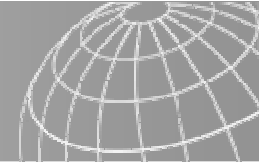
- Screening
 - Pre-assessment, Sensitivity Analysis
- Market Assessment
 - Product / service analysis, Sample market survey questionnaire, Competitor analysis, Market assessment evaluation
- Business Planning and Full Feasibility
 - Market Strategy, Cash flow analysis





Module 4: Determine intervention strategy

- **Task 4.1:** Select PU business opportunities for promotion
- **Task 4.2:** Determine interventions
- **Task 4.3:** Select partner institutions for implementing PUE promotion activities



III: Implementation

**Module 5.1:
Energy services**

**Module 5.2:
Awareness Raising**

**Module 5.3:
Technical and Vocational Training**

**Module 5.4:
Business Training (BT)**

**Module 5.5:
Access to (micro) finance**

**Module 5.6:
Other complementary services**

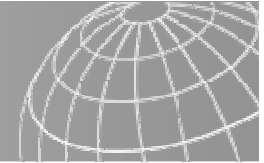
- Tasks
- Practical examples
- Challenges
- Methods
- Tools

Box: Example ToR Business Training from ESRA Afghanistan



Terms of Reference	
Project for subcontracting Business training & Follow-up within framework of GTZ/ESRA Component 1	
<i>Up-date: CL 27-01-2010</i>	
Objective	Small and micro business training & counselling by a sub-contracted company or similar led to successful implementation of 40 new or extended PURE businesses <i>Source: Application profile of participant and performance of business at date</i>
Outcome	At least 5 business trainings (CEFE methodology) at different SHP locations have been realised and a 6 months follow-up for 50% of participants in business plan implementation has been carried out successfully. <i>Source: Business plans are available in the ESRA office</i>
Indicators	At least 100 business persons (30% female) have received a one week business training with a 60% success rate (business plan written and approved by MFI/bank or related NGO professional staff) A follow-up service has led to 40 new businesses using electricity productively either by new or existing business persons, 10 of them are women. 80 new jobs and additional income have been generated to improve living conditions directly or indirectly of 120 families. The criteria for indicator achievement will be joint defined in contract with partner <i>Source: Trainer & counsellor reports</i>
Target groups at Locations	Potential business communities near SHP at Faizabad-Chafta, Faizabad-Basar, Jurm, Farganbo (Basar Intifadeh), Nalan
Contract partner (s)	An experienced CEFE training agency (e.g. AJEER, Kabul) or at least a team of 2 senior CEFE trainers will set up an office at Faizabad after signing a business training & follow-up package with GTZ/ESRA; It might be possible that the training partner organisation will cooperate with the Faizabad-based AKF/PBDC in the training or follow-up activities;
Main tasks & responsibilities of partner (s)	<p>Business training</p> <ul style="list-style-type: none"> Awareness raising at agreed locations Business idea generation with at least 50 participants at each site Selection of 25 potential participants (8 female) Organisation & implementation of training (1 week at 5 sites) Report on training incl. viable business plans <p>Follow-up at training site by counselling and advise</p> <ul style="list-style-type: none"> At least 6 visits to training site to facilitate business plan implementation of as much as possible successful participants Advise and information on technologies and equipment Assisting in market assessment and marketing (5 P) Facilitating further vocational or technical skill training (on-the-job?) Linking to MFI or other sources of funding and financing Networking with other BDS NGOs and self-organisations of local businesses Monitoring & reporting of project progress (client activities' sheet)
Contract volume & conditions	<ul style="list-style-type: none"> Training: 5 x BT Euro 7000 (all inclusive) = E 35.000 Follow-up: 60 business persons x E 200 = E 12.000 Overhead allowance for partner office 12 months x E 200 = E 2.400

	<ul style="list-style-type: none"> Last 10 % of contract will only be paid if at least 20 business persons have started their PURE business successfully (at least 6 female business persons) Bonus for successful implemented PURE businesses = E 100/ case Quarterly progress reports by partner(s)
GTZ/ESRA Support & tasks	<ul style="list-style-type: none"> Selection of partner(s) and negotiation of contract Jointly organized first "Awareness creation" meeting at SHP sites Logistic support to and at training sites (transport, lodging, etc.) Provision of one-time basic CEFE training material (6 Pin boards, Krafts paper, CEFE training box, 1000 cards, etc.) Access to tele-communication system of ESRA Regular checks of partner's activities at training and counselling sites Negotiations with MFI or similar, eventually provision of revolving funds for small PURE business persons
Finance of loans / credits	<ul style="list-style-type: none"> Cooperation with one or more MFI or similar NGOs In case of no external funding source GTZ/ESRA will make available a revolving fund of E 15.000 as credit grant, to be repaid to local SHP Shura/CDC of client and to be monitored jointly by GTZ /ESRA and by partner organisation
Partner competence	<ul style="list-style-type: none"> CEFE training experience (at least 10 training courses as main or co-facilitator) for 2 business trainers (one female?) Experiences as small business counsellor (marketing, M&O, accounting & finance, business membership organisation, others) Management competence of BDS organisations or similar (NGO, MFI)
NAWI & EON program Cooperation	<ul style="list-style-type: none"> Networking option & exchange of information on BMOs (business membership organisation) in Badakhshan province. Sharing of tasks & supplementary activities Other support options in infrastructure improvement, construction, etc.
Schedules	<ul style="list-style-type: none"> February – March 2010: Search & contract with partner(s) April 2010: Starting of BT cycle at first location; every second month one BT (April, June, August, October, December) May 2010: starting of follow up services until June 2011 July 2011: Evaluation report of contract effectiveness & efficiency
M&E	<ul style="list-style-type: none"> Quarterly progress reports of partner (s) Before/after BLS – changes in business and business environment due to PURE at SHP locations Evaluation of Scaling up option Final report (50 pages), lessons learn, business plans, business profile at final date, monitoring doc, etc.

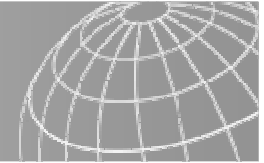


Module 6: Monitoring and Evaluation

Box: Material for practitioners

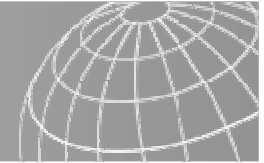
PRODUSE - VOLUME I: *Measuring Impacts of Electrification on Small and Micro Businesses in Sub-Saharan Africa*

- PRODUSE Methodology for impact evaluation of productive use projects
- PRODUSE Step-by-step Guideline
- PRODUSE Questionnaire
- Field tests in 3 countries



PRODUSE Manual – nächste Schritte

- **Verbreitung:**
 - Feedback
 - Einarbeitung weiterer Praxisanwendungen, Erfahrungen, Tools
 - Testen der Methodik in konkreten Projekten (Workshops)
- **PRODUSE Manual version 2.0**



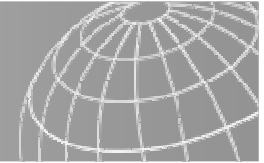
Thank you for your attention!

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Productive Use as a cross-sectoral issue



Energy topics:

- Technologies
- Operation & maintenance
- Financing
- etc.

How to increase productive demand (of enterprises)?

➤ Complementary services needed:

- Business training (BDS),
- Financing,
- Technical training (TA),
- etc.