

Energy Access and Finance



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Energy access - The problem

- 1.1m people with no access to clean affordable electricity services
- 1.6m people with no access to clean affordable cooking
100% target by 2030 according to SDG#7
- Will not be met through current rate of grid extension
- Off grid solutions required – different finance needed



SEforALL Energising Finance Series

Taking the Pulse

- Over 100 off grid energy access providers interviewed
- Mini grids / Solar home Systems, Lanterns, Cooking and fuels

5 countries

- Kenya, Ethiopia, Nigeria, Myanmar and Bangladesh
- Focus on their financial structure and future plans
- Grant, Equity and Debt

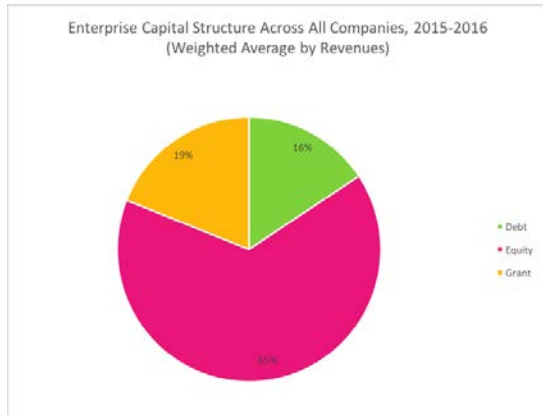


Types of finance

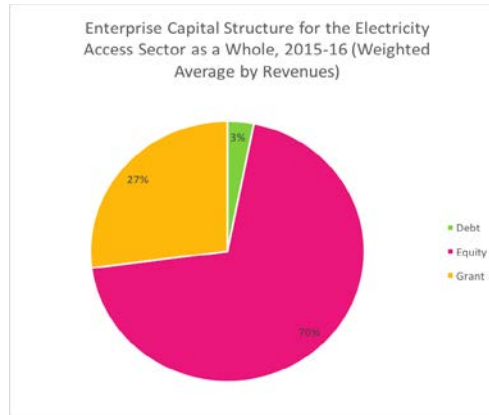
Debt	Equity	Grants
Loans / mortgages International v. local sources	Owner / friends / family capital	Project funding
Working capital debt / payment terms Overdraft	Angels / Impact investors / Philanthropist	Technical Assistance
		Expansion into new products / territories

Breakdown by country

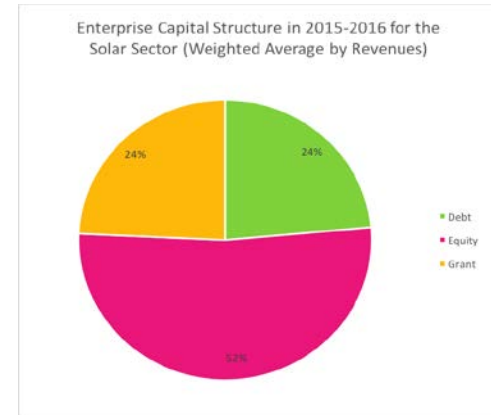
Kenya



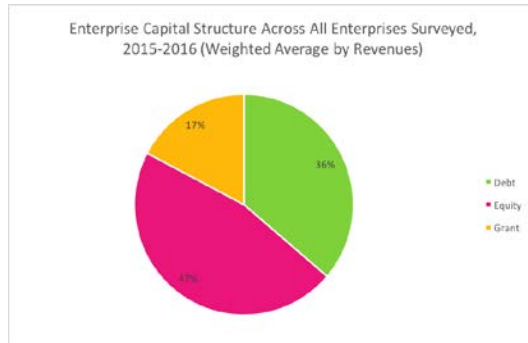
Nigeria



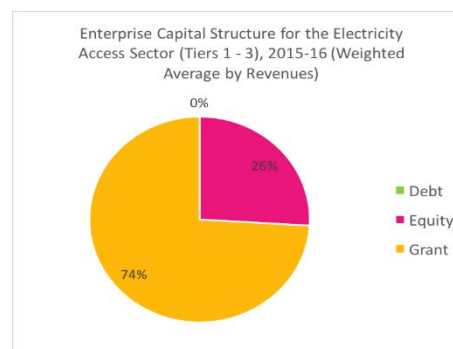
Ethiopia



Bangladesh



Myanmar



Key Findings

- (Un) availability of local debt – local financial institutions do not understand business model – barriers too high
- Currency – availability and fluctuations
- Less finance available for indigenous companies
- Mini grid funding model is very different to other sectors
- Cost of fuel in cooking is rarely considered
- More developed markets preferred NOT to take grants

Recommendations

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- Increase availability of local Debt Awareness campaigns with local banks to explain opportunity
 - Concessionary money to provide first loss, collateral and/or guarantees
 - Aggregated hedging of local currency against (mainly) dollar
 - More money focussed on off grid
 - Loan size and tenure to fit local need
 - Capacity development of indigenous companies to present compelling business plans / applications