

MicroEnergy International: Experiences and Best Practices

Access To Renewable Energy and Energy Efficient Technologies



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About MicroEnergy International



MicroEnergy International

ME
Academy
Trainings,
Workshops,
Education
& Scientific
Programs

ME Consult
Policy & Business
Consulting,
Project
Management

ME SolDesign
Design,
Evaluation,
Optimization,
Tool and
Technology
Development

ME
Scientific
Research
Research,
Design &
Partnership
Development

Sustainable Energy Access

ME Academy & Scientific Research

A training facility offering targeted formats to interested actors in the energy access field.

Workshops

- Greening Microfinance
- Energize the BoP
- Greening the BoP (upcoming)

Practitioner training

- On the job training and certification
- Young practitioner training (YPT)

Academic courses

- Energy entrepreneurship and rural electrification (EERE)
- Bioenergy and microfinance class
- Climate finance e-learning

Learning materials

- Project case studies
- Product catalogues

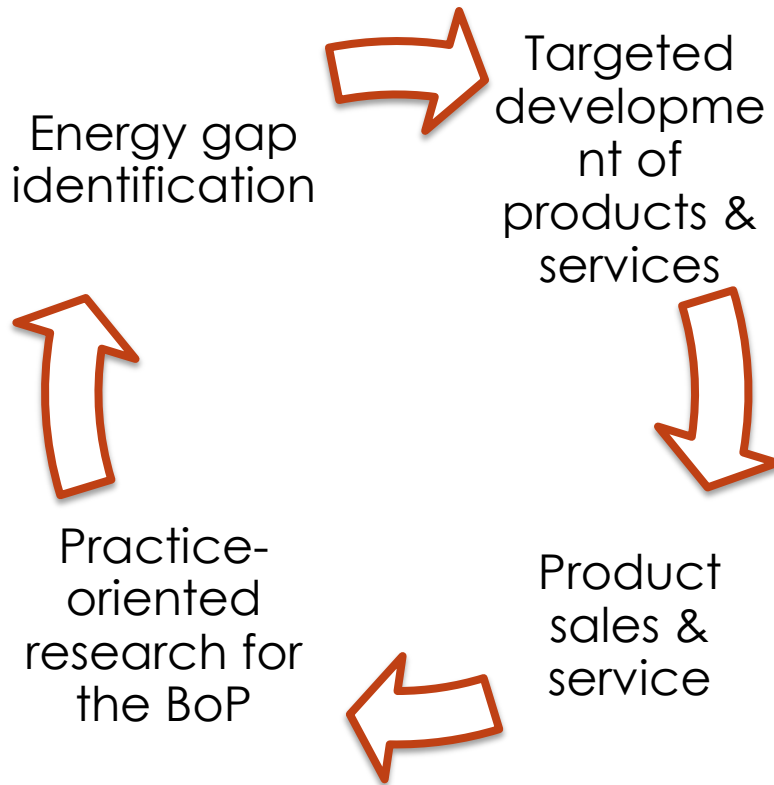
Conferences

- Decentralized Perspectives on Microenergy Systems Conference
- Scientific and practitioner contributions to various conferences

ME SoDesign



A R&D-centered technology and service incubator, bridging the energy gap for the BoP.



ME Consulting



Financial and technical expertise offered to various actors in the energy access field.

Energy need and demand assessments

Technology suitability analysis

Supplier identification and assessment

Pilot design, monitoring and evaluation

Clean energy market studies

Policy evaluation and advisory

Organizational capacity building

Business Development services

for...

NB Financial Institutions

Banks

Technology Providers

Research Institutions

Multilateral Institutions

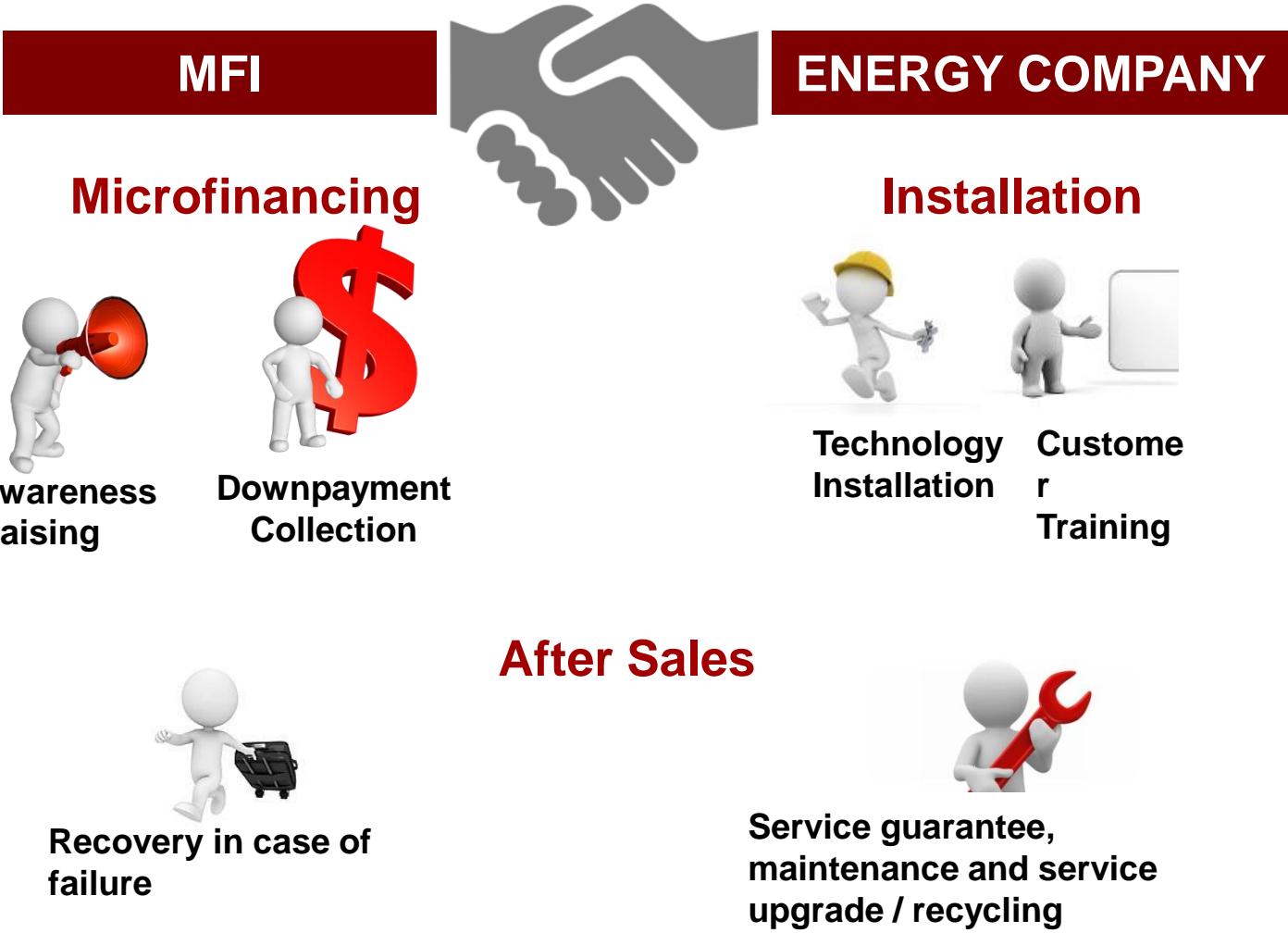
National Development Agencies

Government

MEI Activities



Linking Financial & Energy Inclusion





Clean Energy Promotion through Microfinance in Ethiopia (CEPM Ethiopia, 2014-2017)

The Challenge

Ethiopia has the **world's lowest**:

- Modern cooking fuels access
(>70% pop. depends on traditional biomass)
- Per capita electricity consumption
(> 70% pop. with no access to electricity)
- Commercial energy use

Energy poverty negatively affects economic, social and environmental dimensions at the individual and collective levels - thereby leading to structural poverty

Income poverty is a major challenge in rural and urban areas, making in-cash purchase of some clean energy technologies (CET) unbearable

Our Solution

Make clean energy available and affordable by enabling low-income populations to access reliable clean energy technologies (CET) through microfinance.

Promote climate-compatible development by stimulating private sector growth and linkages within the renewable energy and financial sectors of developing economies.

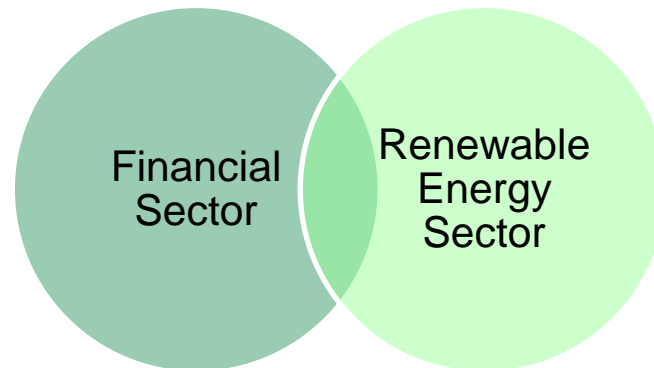


Our Approach

Develop an innovative and replicable microcredit mechanism to source, finance, and deliver Clean Energy Technologies (CETs) to low-income households and micro, small, and medium enterprises (MSMEs)

Enable local Microfinance Institutions (MFIs) to develop scalable clean energy-related businesses and offer various CETs to current and new clients

To develop the **entire supply chain** for high-quality CET for low-income markets, including logistics, design of credit products, post-sales services and monitoring.



Project Partnership

The project partnership leverages both **international and local green and inclusive business development expertise:**

- **Three private Ethiopian MFIs** - Buusaa Gonoofa, Harbu and SFPI - launch a **microcredit financing mechanism** for CETs and work with **local CET providers**.
- **International experts in green microfinance and innovative business models** for climate-compatible development - Gaia, MicroEnergy International, Swan Management - provide technical assistance.
- **Nordic Climate Facility (NCF)** – provides funding for the technical assistance.

Expected Results

More than 200 000 MFI clients have access to reliable and affordable CETs

Reduced Greenhouse Gas (GHG) emissions, deforestation and soil degradation

Improved local health, livelihoods, social capital and living standards

Private sector developed through local economic and value chain development, and new local and international commercial linkages

Established CET business model that can be replicated at other MFIs and countries across the global South



Opportunities to scale up

The replication and scaling-up possibilities are on three levels:

- **Current and new clients of the three MFIs,**
It is expected that the MFIs will at least double the number of CET to be financed within 5 years
- **Additional MFIs in Ethiopia integrating the mechanism and training models**
Three additional MFIs are expected to replicate the approach within a timeframe of 10 years after project finalization
- **International replication of the mechanism and training models through MFIs**
Preconditions to start replication in East Africa are favourable since 52% of all savers and 45% of all borrowers from Africa come from this region

Challenges

- Multi-stakeholder project ecosystems are complex → **communication / “translation” process** between the different stakeholders as a critical success factor.
- Capacity building for **“energy literacy” takes time and people**, and innovative teaching and talking approaches, as well as flexibility are a must.
- **Funds for capacity building /training** are rather limited given the huge multiplication impact that can be achieved. Observed shift across the donor community to “performance-based payments” should be fit with the often soft nature and long timescales of capacity building activities.
- **Core business** (threatened by climate change and civic unrest) vs. clean energy **business development**

Thank you for your
attention!

