



Webinar, 6 September:
Energy access financing

#PPEO2017

- Operational arm of the UNFCCC Technology Mechanism
- Consortium of organizations from all regions + Network
- Mission to stimulate technology cooperation and enhance the development and deployment of technologies in developing countries
- Technologies include any equipment, technique, knowledge and skill needed for reducing greenhouse gas emissions and for adapting to climate change effects
- Core services include:
 - Technical assistance to developing countries
 - Knowledge platform on climate technologies
 - Support to collaboration and partnerships



Support to remove barriers to technology transfer (financial, technical, institutional)

- ✓ Identification of needs and prioritization of technology, depending on country context
- ✓ Technical recommendation for design and implementation of technology
- ✓ Feasibility analysis of deploying specific technologies
- ✓ Support to scale up use and identify funding for specific technologies
- ✓ Support legal and policy frameworks

★ Country-driven

- Any organization from developing countries can express need
- Request endorsed and submitted by the NDE

★ Fast and easy access to assistance

- User-friendly access: 4-pages submission, in all UN languages
- Appraisal of request within 1-2 weeks and response design within 2-12 weeks

★ CTCN selects and contracts relevant experts

- Assistance provided through Consortium and Network (value up to 250,000 US\$)
- Collaboration with financial organizations to trigger funding



- ✦ **Join our network! Easy and free of cost.**
- ✦ **Access commercial opportunities:** respond to competitive bidding for delivery of CTCN technical assistance services
- ✦ **Create connection:** network with national decision makers and other network members to expand your partnership opportunities and learn about emerging areas of practice
- ✦ **Increase visibility:** broaden your organization or company's global reach, including within UNFCCC framework
- ✦ **Exchange knowledge:** keep updated on the latest information and share via the CTCN's online technology portal

Examples of collaboration

- Co-host climate related events
- Twinning arrangements with research institutions
- Engage in new technology projects

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Poor People's Energy
Outlook 2017
National Energy Access
Financing: a bottom-up
approach

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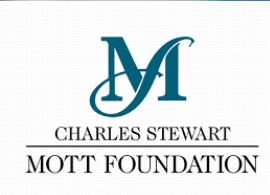
PRACTICAL ACTION



“Financial techniques of the past will not help us solve the energy problems of today” - Rachel Kyte



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Financing energy access: Real challenges on the ground

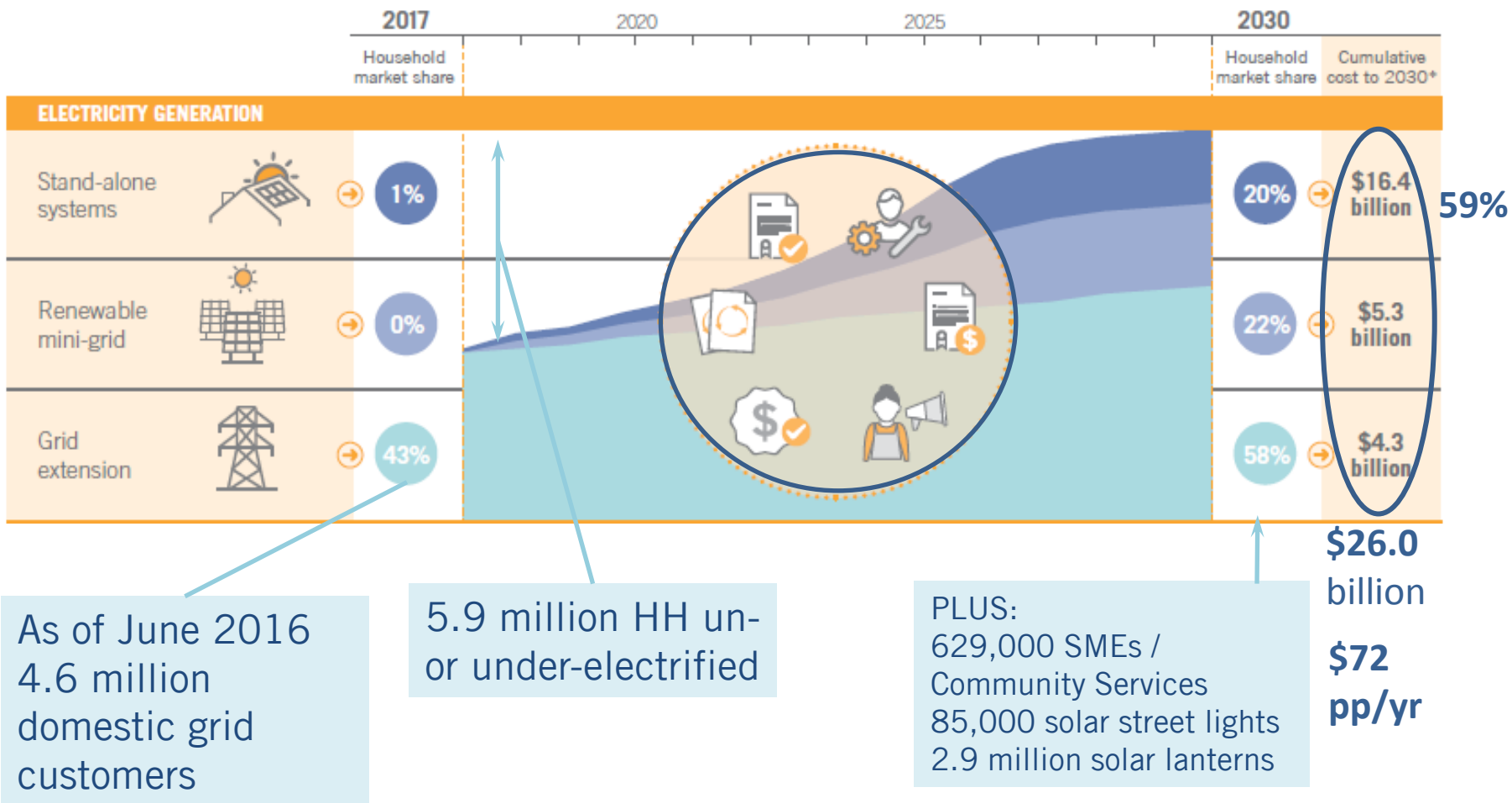


Methodology: Estimating national technology mix and financing requirements



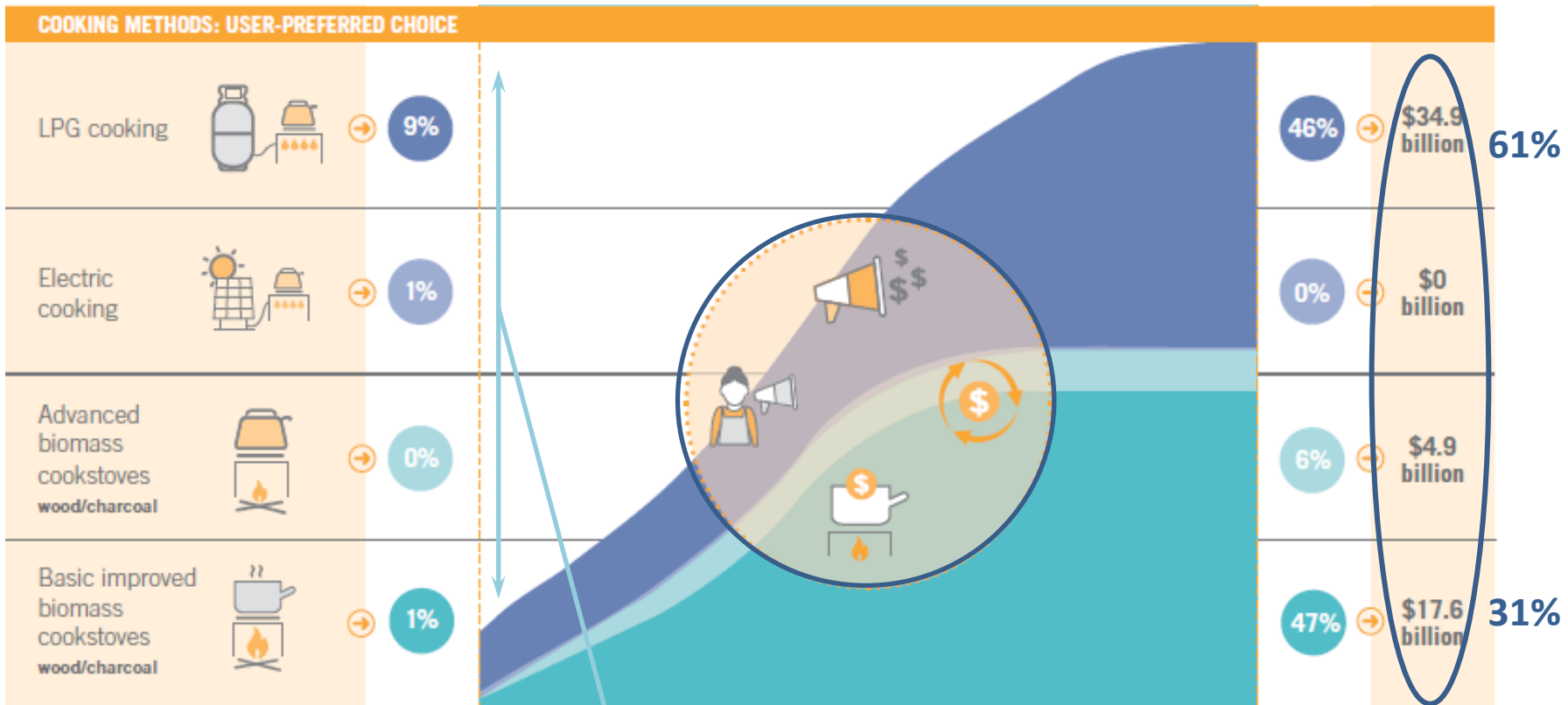
Kenya: Electricity Access for all

Least cost national technology mix and financing requirements



Bangladesh: Clean cooking for all

Least cost national technology mix and financing requirements



Low awareness /
desire to change
cooking practices

27 million HH use
poorly performing
biomass stoves

Cooking would
take half as long,
saving 22.6 billion
hours / year

\$57.3 **\$24**
billion **pp/yr**

Implications for national financing

Investment in:

- Distributed technologies
- Clean cooking
- Energy for productive and community uses
- Integration across sectors

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Finance barriers

Gendered issues

- National financing priorities are not addressing women's key concerns
- Women struggle to access consumer or business credit
- Lack of leaders and role models



How-to-guide for quickly and sustainably scaling energy finance and delivery

Recommendations

- Create leadership commitment from concessional financiers
- Build skill and experience for future SMEs, and men and women future leaders
- Fund national market activation campaigns
- Shift financier evaluation and reward metrics
- Increase financiers' trust
- Gender-aware training and financing for productive and community end-uses

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Financing Energy Access for All

Using financial flows to stimulate market development

Recommendations

- ✓ Create leadership commitment from concessional financiers
- ✓ Build skill and experience of energy SMEs, and male and female future leaders
- ✓ Shift financier evaluation and reward metrics
- ✓ Increase financiers' trust in energy access sector
- ✓ Provide gender-aware community training and financing for productive and community end-uses
- ✓ Fund national market activation campaigns

STEP 1: Market Activation

Activating markets starts with building government capacity and consumer awareness, while skilling-up businesses.

- 1 Target-setting
- 2 Tax incentives
- 3 Awareness-raising
- 4 SME-NGO partnerships
- 5 SME training
- 6 SME grant funding
- 7 Support to women's groups
- 8 Industry associations



Finance flows increase

Environment grows more supportive



STEP 2: Bridging Public and Private Capital

Creating links between public and private capital by building commercial financier understanding of rural energy access businesses, promoting MFI consumer energy finance, and training and financially supporting new rural enterprises.

- 1 Concessional local currency debt and equity
- 2 Consumer financing
- 3 Loan guarantees
- 4 Market intelligence
- 5 Sector coordination groups
- 6 Public-private partnerships

STEP 3: Scaling Private Capital

Rapidly expanding rural private-sector penetration and national business development with increased private capital through, for example, PPPs and bundling rural energy investments to test securitization.

- 1 Harmonized quality standards
- 2 Licensing and regulatory frameworks
- 3 Training institutions
- 4 Bundled project investments



Environment grows more supportive

Finance flows increase



STEP 4: Mature Ecosystem

Once rural energy and non-energy enterprises are thriving, with easy access to all forms of commercial and consumer finance, subsidies and guarantees can be reduced. Support will still be required for remote locations and poorest communities.

- 1 End-user price subsidies for the remote and vulnerable
- 2 Commercial local currency debt and equity

Key

✘ Actions in each step. These will continue in subsequent steps, as appropriate.

📍 Companies within different energy access markets grow and are joined by new market entrants over time.

🔗 Market size grows over time and relationships between market actors are strengthened.

🌱 Enabling environment grows more supportive over time.

Realizing global energy access financing at scale

Problem

Unrealistic energy access planning

Pre-commercial markets

Lack of trust and lack of incentives for financiers to invest in smaller projects

Solution

Bottom up planning & effective demand

Market activation initiatives

Change structures, and find ways to support bundling

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Thank you!

@PracticalAction

@lucykstevens

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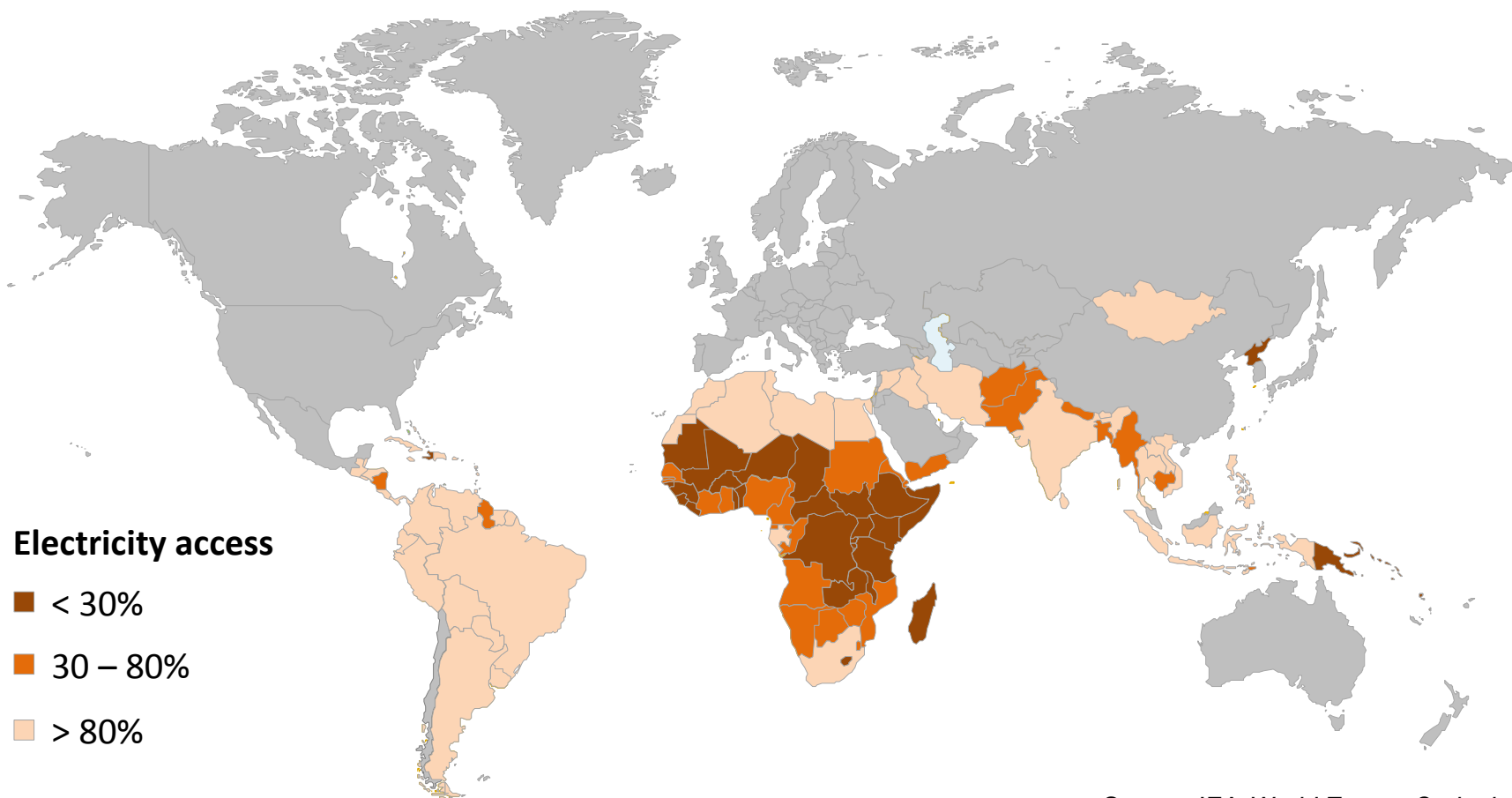


WEO-2017 Energy Access Outlook – key areas of focus

- *IEA has a long history in this area; including connecting across agendas (renewables, digitalisation, capacity building etc.)*
- *Energy Access Outlook will:*
 - *Include updated country-by-country energy access estimates and outlook*
 - *Present a strategy on how to achieve modern energy access for all by 2030 (by region, technology, fuel, levels of investment etc.)*
 - *Examine how energy development can unleash productive economic activity, serving to accelerate economic growth*
 - *Analyse the intersection between energy access and other critical issues, such as health, the environment & gender*
- *Launch of the report: **19 October 2017***

Modern energy deprivation remains widespread

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OUTLOOK
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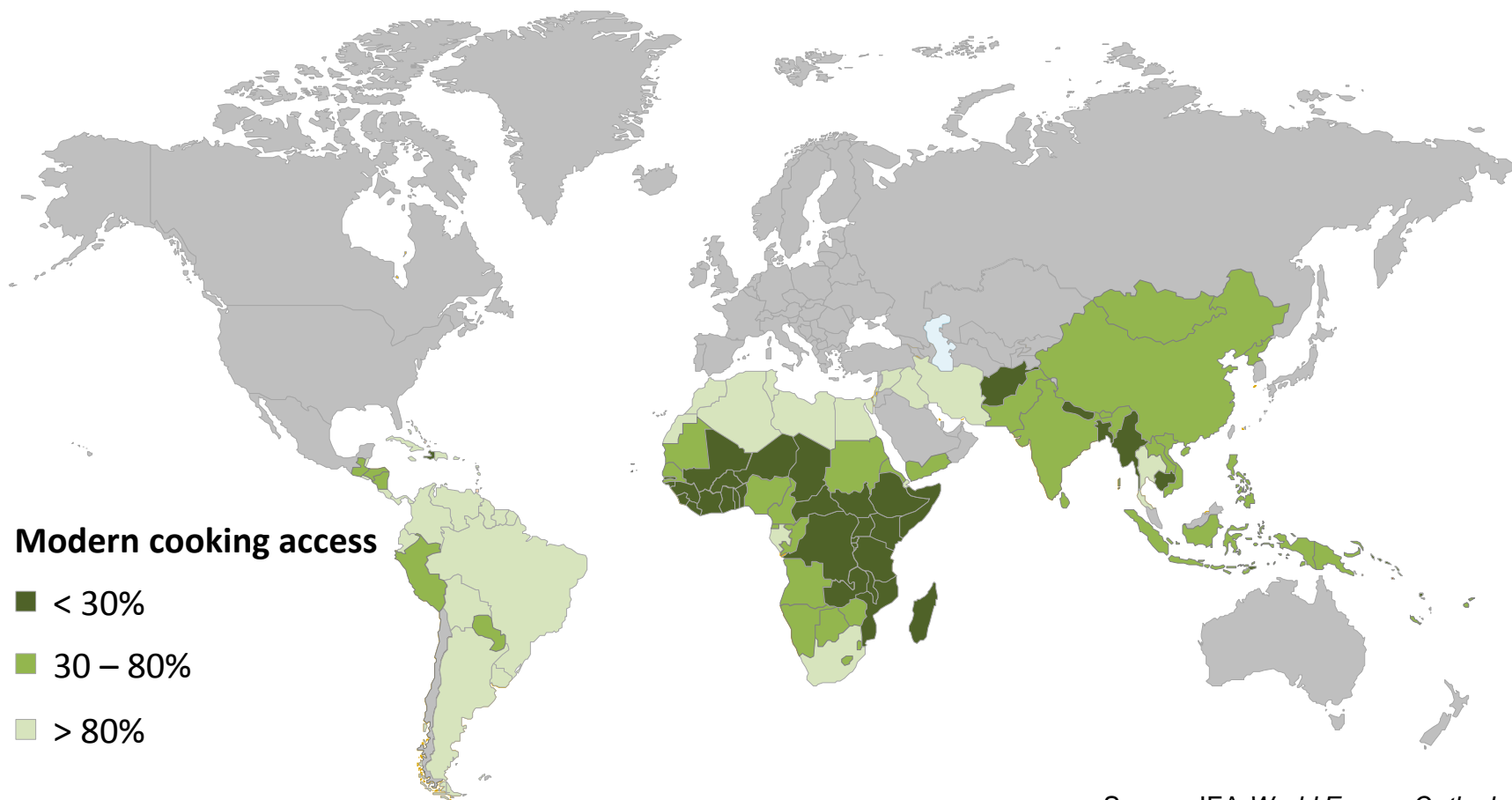


Source: IEA *World Energy Outlook* analysis

There has been renewed momentum behind energy access with the adoption of the Sustainable Development Goals, but progress has not been universal

Modern energy deprivation remains widespread

WORLD
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2017



Source: IEA *World Energy Outlook* analysis

Latest WEO estimates show that 1.2 billion people still don't have access to electricity & 2.7 billion still rely on the traditional use of biomass for cooking

Interview with Hannah Daly and Molly Walton, IEA

Lucy Stevens
@lucykstevens
@PracticalAction

#PPE02017

Hannah Daly, Molly Walton
@IEA

The Global Alliance for Clean Cookstoves will create a thriving market for clean cookstoves and fuels.

PROBLEM

Every day,
3 BILLION
PEOPLE
(500 million households)
rely on solid fuels to
power their rudimentary
stoves



which leads to...

- 4,300,000 deaths annually
- Wasted productivity
- Climate, forestry & other environmental degradation
- 21% of global black carbon emissions
- Health & economic burdens that disproportionately impact women & girls



MISSION

- SAVE LIVES
- IMPROVE LIVELIHOODS
- EMPOWER WOMEN
- PROTECT THE ENVIRONMENT



GOAL



100
MILLION
HOUSEHOLDS
ADOPT CLEAN AND
EFFICIENT
COOKSTOVES &
FUELS BY 2020

Join Us!

Global Alliance for Clean Cookstoves
www.cleancookstoves.org

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Interview with Asna Towfiq, GACC

Lucy Stevens
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Asna Towfiq, Global
Alliance for Clean
Cookstoves
@cookstoves



SunFunder

Driving a global energy transformation

**CTCN/Practical Action webinar:
Energy access financing**

06 September 2017

Baraka Megiroo

Mission and track record

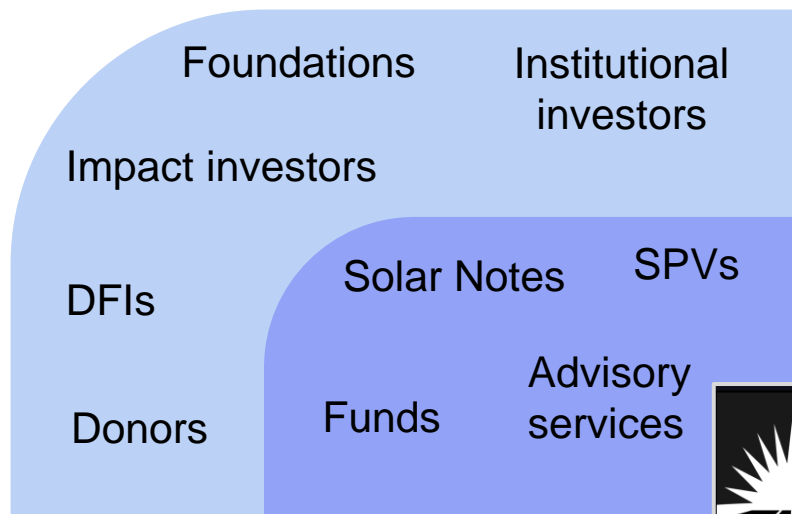
SunFunder is a solar finance business driving a global energy transformation to solve energy access and climate change

\$55 million
unlocked

3 million
people impacted
in **12 countries**

Less than 1%
default rate

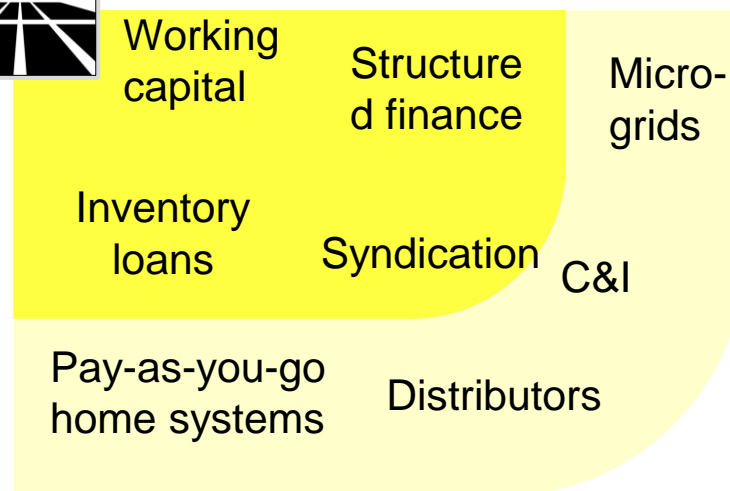
SunFunder's business model



SunFunder provides diversified, high-impact, fixed income debt offerings of emerging market solar investments



SunFunder specializes in financing solar assets through scalable inventory, working capital and structured finance loans



Interview with Baraka Megiroo, SunFunder

Aaron Leopold
@Aaro_Leo
@PracticalAction

#PPE02017

Baraka Megiroo
@sunfunder

Q&A

Hosts

Lucy Stevens, Aaron Leopold

@lucykstevens

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#PPEO2017

Panellists

Hannah Daly, Molly Walton

@IEA

Asna Towfiq, Global Alliance
for Clean Cookstoves

@cookstoves

Baraka Megiroo, Sunfunder

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