

THE ENERGY INCLUSION INITIATIVE

MAKING ENERGY WORK FOR MICRO-ENTREPRENEURS

ADA (Appui au développement autonome) and MEI (MicroEnergy International) combine their expertise in the fields of microfinance and renewable energy to create the Energy Inclusion Initiative. This innovative project aims to increase clean energy access in Peru through inclusive financial and technical services.

With a microcredit from €100 to €800 designed to suit a client's needs, micro-entrepreneurs can purchase certified equipment, such as solar thermal water heaters, solar dryers for coffee production, improved cooking stoves and ovens, energy efficient fridges, etc. By utilising the clean energy produced, they can increase their micro-business opportunities, improve local social and economic conditions, and protect the climate at the same time.

Through the microfinance services of two microfinance institutions (MFIs) based in Arequipa and Huancayo, more than 10,000 micro-entrepreneurs could gain access to clean energy by 2014. Since MFIs have a vested interest in continued customer satisfaction, after-sales technical services are guaranteed to maintain product quality and functionality.

HOT WATER INCREASES PENSION PROFITS BY 20%

At 3,700 meters above sea level in the scenic bluffs near Chivay, the small town of Callalli is a rugged yet beloved tourist destination. To accommodate visitors to the area, Ines Panibra offers her kitchen as a "hospedaje" to provide additional income for her family, including her husband and their two children. When the microfinance institution FONDESURCO offered a small loan to buy a solar water heater from a local supplier, the household saw a valuable opportunity to improve their small business.

Now with the ability to offer their clients a warm bath, the Panibras have been able to increase their prices 20% per night. The additional profit helps them to pay back the initial loan. They already have ideas for the future: Ines says she would like to be able to offer lighting and a home-cooked meal in her own oven.

SOCIAL, ECONOMIC AND ECOLOGICAL IMPACT

The Energy Inclusion Initiative addresses a triple bottom line, namely economic, social and ecological objectives. By enabling access to clean energy through inclusive financial services, local economic development can be promoted in a self-sustaining manner, carbon emissions offset, and public health and hygiene improved.



KEY FIGURES

- 84% of rural Peruvian households (nearly 2 million households) use firewood for cooking
- 6.5 million Peruvians (22.5% of the total population) do not have access to electricity
- With 3.1 million active borrowers, the microfinance sector in Peru is strongly developed
- Peru receives some of the highest annual sunshine in the world (2,300 kWh/m² average)

Technical partner:



With the support of:



GRAND DUCHY OF LUXEMBOURG
Ministry of Foreign Affairs

Directorate for Development Cooperation

ADA-MEI JOINT EXPERTISE

The ADA-MEI partnership began in 2010 with the development of the ME Atlas, a tool to map microenergy potential country by country. The atlas collects quantitative and qualitative data from both macro and micro perspectives. Analysing the atlas assists in determining market potential of energy products for communities in areas with weak infrastructure. Special emphasis is placed on the end user's absorptive capacity of energy products and their potential benefit from access to energy. Based on a number of factors, Peru was chosen as the most promising country to begin EII project implementation.

IDENTIFYING PARTNERS

During the first on-site mission, MEI and ADA aimed to build a joint network of potential public and private collaborators. The partners conducted a detailed investigation of the motivation and ability of in-country MFIs to diversify their portfolio offerings into the field of energy access.

Caja Municipal de Ahorro y Crédito (CMAC) in Huancayo and FONDESURCO in Arequipa were selected and accepted as motivated and able project implementers. Subsequently, an activities-based assessment of clients and businesses via a field study in the MFI areas of operation pinpointed opportunities to bolster sustainable productivity via access to energy.

Three energy products were identified as optimally able to suit clients' needs and enable micro- and small-business sustainable growth opportunities: solar thermal water heaters, solar dryers for agricultural products, and improved cooking ovens.

OUR PARTNERS



CAJA HUANCAYO

- Legal status : limited company
- Year of foundation : 1988
- No of clients : 230,859
- Borrowers : 124,074
56% women, 35% rural areas
- Gross loan portfolio :
US\$ 265.2 M.
- Avg. loan balance/borrower :
US\$ 2,137
- 49 branches
- Funders : B. Credito, B. Interbank, COFIDE ICO

(Data on 30 June 2011)



FONDESURCO

- Legal status : NGO
- Year of foundation : 1994
- Borrowers : 11,511
93% in rural areas
- Gross loan portfolio :
US\$ 19,9 M.
- Avg. loan balance/borrower :
US\$ 1,741
- 15 branches
- Funders : Symbiotics, ResponsAbility, Triple Jump, Global Partnerships

(Data on 31 May 2011)

TIMELINE : FROM IDENTIFICATION TO EXPANSION



LISTENER
CREATIVITY
QUALITY
INTEGRITY



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