

# Microfinance and Access to Solar Energy to “off grid” population.

IOREC.

Nov 1 & 2, 2012, Accra, Ghana.



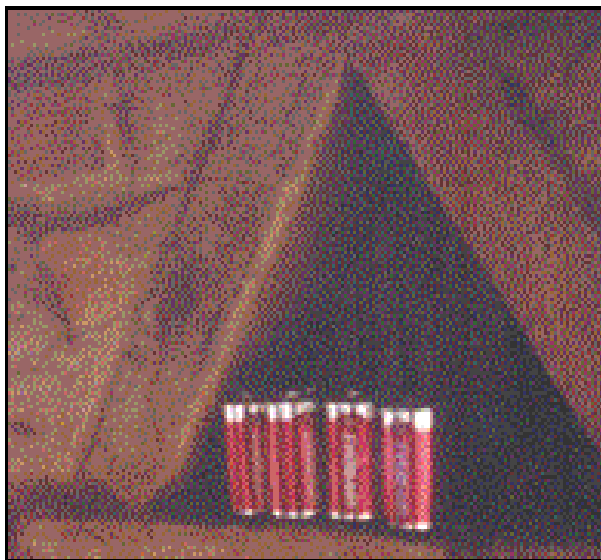


Argentina.

# Context (I)

- Rurality is low (<10%)
- Electrification rate is High (>95%).
- 300K families with no access electricity,
- Low density of population.
- Clients: the rural poor (increased government assistance through "transfer" programs).
- Macro: high growth and inflation (20/25%).

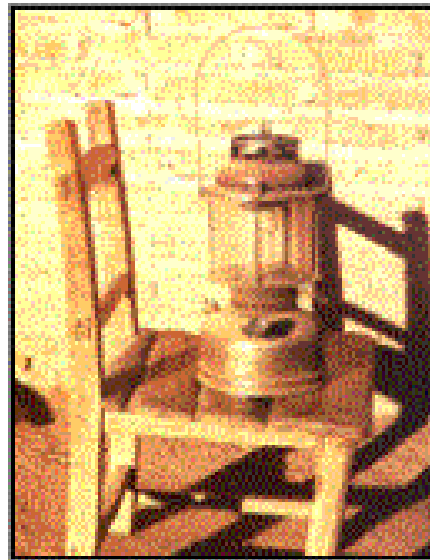
# Electricity substitutes in rural areas



Pilas para radio y linterna



Lámpara a gas



Lámpara a kerosene



Mechero a kerosene

- Avg family spending: 20USD/month (10 to 35)

# Context (II)

- Emprenda is a leading MFI in Arg.
- From 2008 part of GrupoACP.
- 4K clients, USD7M Portfolio.
- Operating in both urban and rural areas...
  - With extremely high dispersion (1,5 H/Km<sup>2</sup>)
  - Lack of electricity, comm, banks, etc.
- Need of a “high penetration” product
- Flexibility: small and entrepreneurial.
- Solar program: 2005 to date.

## Microfinanzas

Perú



México



Uruguay



Argentina



Participación Accionaria

Bolivia



El Salvador



Guatemala



Paraguay



Alianzas

Brasil



## Vivienda e Infraestructura

Perú



Participación Accionaria

Ecuador



## Servicios Corporativos

Perú



El Salvador



Perú



Perú



Perú



## Microseguros

Perú



Perú



## Formación y Capacitación

Perú



## Comunicaciones

Perú



## Mercados

Perú



## Consumo

Participación Accionaria

Paraguay



## Energía y Medio Ambiente

Argentina / Perú



# Business Model & Products

- Integrated Approach: selling + installing + financing
  - Lack of technical partners.
- Finance as a critical element:
  - 90% sales through finance.
- Loan officers: "todistas" plus
  - Promote, sell, install, give training, credit evaluation, recovery, repairing and aftersales
  - Low qualification, high commitment.
- Solar Home System:
  - 46W, USD450 all included, very low deposit.
  - Installments equal avg spending at 36 months.

# Results

- 1.500+ families with access to electricity
- 70%+ penetration
- Portfolio quality above average.
- Business creation: mobile phone chargers and communications providers.



# Challenges & Solutions

- Rural MF operation itself poses important challenges: sustainability and operational risk.
- Inflation 2008 onwards.
  - Reduction of loan terms (from 36 to 24 to 18).
- Product Development with Lack of resources and technical knowledge.
  - Ask and insist. Trial and error.
- Introduction of new Technology.
  - Took time: 5/7 years.
  - Starting with One Basic Product.
  - Flexibility: low entry barriers, longer than usual terms and some "cuota comodin".

Thank you.

