Electricity Access Market Activation: 25 Countries by 2025

A Collaboration By:

POWER FOR ALL
Hivos people unlimited
SNV
PRACTICAL ACTION
1. MARKET ACTIVATION

2. ABOUT
   • THE COLLABORATIVE

3. IN ACTION
• Need to transition into **integrated energy access** (off-grid/ grid)

• **Holistic approaches** to address simultaneous barriers are critical…

• … in order to achieve the right ecosystems in place

• **Multi-stakeholders** - private sector, governments and CSOs
2 APPROACH: MARKET BUILDING

WORKING GROUPS

NATIONAL STAKEHOLDER TASKFORCE

POLICY

FINANCE

SUPPLY

DEMAND

<----- CAPACITY BUILDING ----->

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3 ABOUT: 4 LEADING INGOs

The **25x25** Collaborative — Hivos, Power for All, Practical Action and SNV — aims to accelerate electricity access in 25 low energy access countries by 2025 through its market activation approach.
Success - Demand

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PRACTICAL ACTION
## Understanding Demand

<table>
<thead>
<tr>
<th>Communities</th>
<th>Utility-State Owned</th>
<th>Private Developers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reliable</td>
<td>Economic calculation</td>
<td>Clear policy</td>
</tr>
<tr>
<td>Sustainable</td>
<td>Subsidy</td>
<td>Viability gap funding</td>
</tr>
<tr>
<td>Affordable</td>
<td>Private contribution</td>
<td>Assurance on tariffs</td>
</tr>
</tbody>
</table>

### Quality and sustainable service

- Target vs capacity
- Regulations clarity
- Quality and sustainable service

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**Government**
Demand: Businesses Mapping

A. Small group of early stage, social enterprises delivering decentralized RE solutions

B. Larger group of mature project developers, with some (CSR) initiatives in rural / remote areas
Creating the Market Place
Key Roles and Results

- Mobilising stakeholders
- Navigating through complex national & local RE regulations
- (local) business model support and engaging local community
- On-site feasibility assessments, engaging local community

Electrification ratio raised from 24% to 50.9%
356k inhabitants electrified
Total investment USD 48M
Success - Supply

A Collaboration By:
1. SUPPORT SUPPLY OF QUALITY SOLAR PRODUCTS
2. SUPPORT DEMAND MATURATION
3. BUSINESS DEVELOPMENT FOR LAST-MILE DISTRIBUTION
4. FINANCING FOR SOLAR DISTRIBUTORS & CUSTOMERS
APPROACH: TARGET

- **LOW**: No targets or only national access targets
- **MID**: National access and/or rural electrification targets
  - No DRE target
- **HIGH**: Rural and DRE targets or
  - National and DRE targets
- **BEST**: National energy access targets and
  - Rural electrification and DRE targets

LOW: 52%
MID: 25%
HIGH: 8%
BEST: 15%
APPROACH: TASK FORCE

DECENTRALIZED RENEWABLE ENERGY (DRE) TASK FORCE

- Ministry of Energy
- Office of President
- Donors & Investors

DRE Task Force

- Rural Electrification Agency
  - Energy Planners
  - Renewable Energy Association
    - Frequent, regular meetings
    - Robust sector performance data

DRE
- Delivery Partners
  - Companies (SHS, pico, mini-grid)
  - NGOs (technical assistance to business, demand creation)
  - Aid Agencies & Consultants (policy advice, capacity building)

Rural Electrification Agency
- DRE Delivery Team
  - DRE Fund Manager/Access to Finance Lead
  - Demand Creation Lead
  - Policy Lead

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## General Market Development Phases

<table>
<thead>
<tr>
<th>Phase</th>
<th>Description</th>
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<tbody>
<tr>
<td>Pre-Commercial Phase 0</td>
<td>In the context of developing countries, the time when a certain (existing) product/service has not yet reached a certain market or only a few units of this product are traded within the country on demand.</td>
</tr>
<tr>
<td>Pioneering Phase I</td>
<td>The new product is introduced into the market it is relatively unknown and has not yet earned the trust of consumers. As only small amounts of the product are bought by “early adopters”, the focus lies on awareness raising and consumer gaining activities (high marketing costs, usually no-or low profits).</td>
</tr>
<tr>
<td>Expansion Phase II</td>
<td>As the product gains popularity, new participants (competitors) enter the market. Turnover increases at a very high rate and the product starts generating high profits.</td>
</tr>
<tr>
<td>Maturity Phase III</td>
<td>This is usually the longest and the most profitable phase. Demand is not growing at such a high rate anymore, and product prices drop. Due to the increasing competition for market share, profits decrease at the end of this phase. The number of suppliers decrease and the remaining ones increase their market shares.</td>
</tr>
<tr>
<td>Saturation Phase IV</td>
<td>The competition for market shares becomes even harder.</td>
</tr>
<tr>
<td>Degeneration Phase V</td>
<td>Turnover and profits decrease drastically; the product/service is replaced by a new product.</td>
</tr>
</tbody>
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### Adopter Category

<table>
<thead>
<tr>
<th>Category</th>
<th>Total Potential Customers (100%)</th>
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<tbody>
<tr>
<td>Innovator</td>
<td>2-5%</td>
</tr>
<tr>
<td>Early Adopters</td>
<td>10-15%</td>
</tr>
<tr>
<td>Early Majority</td>
<td>35%</td>
</tr>
<tr>
<td>Late Majority</td>
<td>35%</td>
</tr>
<tr>
<td>Laggards</td>
<td>5-10%</td>
</tr>
<tr>
<td>Late Laggards</td>
<td>0-10%</td>
</tr>
</tbody>
</table>
SUCCESS: TASKFORCE

- Secured presidential pledge for 100% Power for All by 2025
- Established & led multi-stakeholder Energy Revolution Taskforce
- Drove Africa’s first QA-linked VAT/tariff; changed laws in 90 days
- 9900% rise in home solar market with 10+ new market entrants
- Finalist for 2018 Ashden Awards “Energy Access Pioneer”