

# Challenges and Opportunities in Electrification

Prosper Magali  
Member of the Board  
Alliance for Rural Electrification

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Alliance for  
Rural  
Electrification  
*Shining a Light for Progress*

# Who we are



- Established in **2006** and since **summer 2017 Proud Partner of SEforALL**, the Alliance for Rural Electrification (ARE) is the only global business association that represents the whole decentralised **renewable energy sector for rural electrification in developing and emerging countries.**
- As the off-grid matchmaking hub ARE is proud to represent +150 of committed Members who provide RET and business solutions on the ground worldwide. With its concept of Productive Use of Renewable Energy (PURE), ARE creates win-win situations for communities by combining international expertise and investment power with local contents and skills development.

# Members



We partner with international and national organisations, projects and initiatives, the media and other industry platforms.

## Commercial Partners



## Knowledge & Support Partners



ARE unites stakeholders across the rural electrification value chain and unites more than **150 Members** with the mission to provide energy access for all.

Work with us to grow the sector!

## ARE Services



**VISIBILITY**



**INTELLIGENCE**



**INFLUENCE**



**BUSINESS CONTACTS**



**ACCESS TO MARKETS &  
FINANCE**



**DISCOUNTS**

# Energy Access Current Status

There are 1.1 billion people without access to electricity in the world (**87 % live in rural areas**, [SEforAll 2016](#)).

Out of the 674 million people projected to be without energy in 2030, it is estimated that **600 million will be in Africa**.

**95% of additional investment in energy access will need to go to Sub-Saharan Africa** to meet the 2030 energy for all target.

Finance for off-grid electricity generation in Sub-Saharan Africa increased fivefold to **USD 200 million** per year in 2015-16, driven by solar off-grid companies in maturing markets like Kenya, Nigeria, Tanzania and Uganda (SEforALL, 2018: 50)

# Status quo of Energy Access Finance

## What is needed:

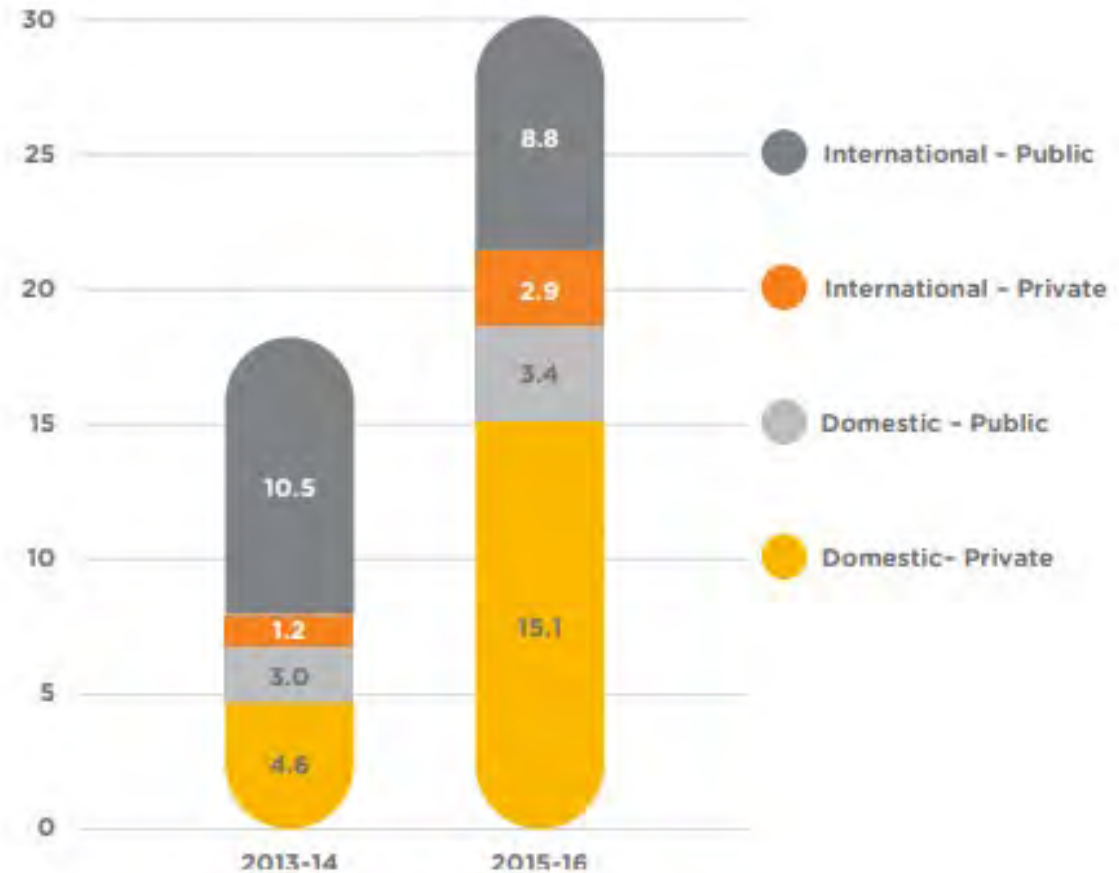
USD 52 billion per year of investments to provide electricity to all by 2030 (IEA 2017) .

## Status Quo:

USD 30.2 billion invested per year.

This means we are **only reaching just over half of this goal!**

Sources of electricity finance in 20 high-impact countries (USD billion)



Source: SEforALL, Energizing Finance (2018), p.34

# Facilitating Projects on the Ground: ARE-OFID CfP for Hybrid Mini-grids

**990,000 USD** for launching a **Call for Proposals** funding in the form of grants for installation of hybrid mini-grids.

**Three success stories from Bangladesh, India and Mali.**

The projects brought great **improvements in the quality of life** of people.

The possibility of using clean power **productively** is **bringing local economic development**.



*Blendio, Mali*



*Muradpur Island, Bangladesh*



*Naratoli - Jharkhand, India*

# Call for New Deal to Empower Start-ups & SMEs

To deliver on SEforALL and SDG objectives **off-grid solutions** are **expected to deliver 71% of all new electricity connections in rural areas**, serving 485 million people by 2030 (IEA 2017)!

## Start-ups and SMEs offer:

- Commitment to SEforAll objectives
- Innovation Power and
- local ownership and community involvement



**Clean RE-based socio-economic growth based on new built and operated assets and with consumers to build their own assets!**

## What start-ups and SMEs lack and therefore need support from the public sector?

- Research support on energy access data collections and benchmarking of off-grid solutions
- Advocacy support to develop and implement business favorable conditions (e.g. by the help of GN-SEC, ARE local coordinators)
- Interim subsidies, result based financing + de-risking support enabling price signals so to facilitate customer and market development by its own means

# Thank you

# Asante Sana

## Alliance for Rural Electrification

Rue d'Arlon 69-71  
1040 Brussels, Belgium  
[are@ruralelec.org](mailto:are@ruralelec.org)  
[www.ruralelec.org](http://www.ruralelec.org)

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Prosper Magali  
ARE Board Member  
[p.magali@ensol.co.tz](mailto:p.magali@ensol.co.tz)

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