

# ARE Energy Access Investment Summit

Lisbon (Portugal)

22 March 2017

To discuss market conditions, key policy initiatives, business opportunities and showcase financial and technical instruments supporting clean rural electrification projects in developing and emerging markets, the [Alliance for Rural Electrification](#) (ARE) with the kind support of [Energias de Portugal](#) (EDP) hosted the ARE Energy Access Investment Summit on 22 March 2017.

The Summit was attended by over 300 representatives from more than 40 countries worldwide from the international public and private sector, including high-level institutions, financiers, technical support and solution providers as well as project developers ([press release](#)).

## Highlights

- ❖ Interventions and discussions with **high-level representatives** from the sustainable energy sector, including:
  - **António Mexia**, CEO, EDP
  - **Rachel Kyte**, CEO, SEforALL
  - **Georgios Pantoulis**, Head of Sector for Energy, DG DEVCO, European Commission
  - **Faris Hasan**, Director of Corporate Planning and Economic Service, OFID
  - **Roberto G. Aiello**, Energy Principal Specialist, IADB
  - **Daniel Schroth**, SEforALL Africa Hub Coordinator, AfDB
  - **Ernesto Macías**, President, ARE
  
- ❖ In-depth discussions and presentations on current policy frameworks, financial trends and technical support tools and how to best use them in rural electrification markets, featuring more than **30 speakers** from the public and private sector as well as financiers and other stakeholders in the sector.
  
- ❖ Launch of **ARE's position paper** identifying **three key recommendations** on the policy and regulatory level to **empower women in the sustainable energy sector**.
  
- ❖ **Two awards ceremonies: Young Leaders in Energy Access Awards and ARE Awards** to encourage and reward initiative and innovation in the decentralised renewable energy sector.
  
- ❖ Finally, 35 Vlerick Business School students offered free consulting services on business challenges presented by six companies, focusing on investment analysis, business model formulation and financial modeling.

## **Recommendations from the ARE Lisbon Summit**

- 1) **Encourage multi-stakeholder partnerships** between the private and public sector, financiers as well as other relevant stakeholders in the sustainable energy sector. ARE works on a daily basis with many stakeholders in the sector through high-level [partnerships](#) such as the [Africa-EU Renewable Energy Cooperation Programme](#) (RECP) and the [Africa-EU Energy Partnership](#) (AEEP).
- 2) **Support** governments in developing countries to implement **clear policy frameworks**, including sustainable tariff structures, standardised IPP agreements, transparency on grid extension plans, accessible data on local communities and local financing facilities. ARE already works on the regional level in Africa with e.g. the Africa-EU Energy Partnership (AEEP) and will step up its country level initiatives.
- 3) **Mobilise** more investment in **education, research, development** focused on decentralised renewable energy. Capacity building and [training courses](#), as offered by ARE, are needed to raise awareness on clean rural electrification with the authorities, to attract more financiers to invest in the sector and to better inform project developers on [lessons learnt](#) and sustainable business models when developing decentralised renewable energy projects.
- 4) **Empower women** in the sustainable energy sector as key change agents to achieve SEforAll objectives. ARE has launched a [position paper](#) identifying **three key recommendations** on the policy and regulatory level to address women's needs, constraints and opportunities.
- 5) **Empower youth** in the sustainable energy sector as key change agents to achieve SEforAll objectives. At the Summit, ARE contributed to organising the [Young Leaders in Energy Access Awards](#) through the Energy Access work stream under the Africa-EU Energy Partnership. The project aimed to raise awareness for the work of young professionals in bringing clean energy access to rural communities in Africa. In addition, ARE in partnership with Vlerick Business School, offered **free consulting services** on business challenges presented by six companies, focusing on investment analysis, business model formulation and financial modeling with the help of 35 students.
- 6) Develop attractive, as well as **innovative financing mixes** by bringing together different financial partners, and strong investment structures to **derisk investments**, make it easier to invest over time, and attract more investors to the sector. ARE notes the increasing interest from financiers in the sector and plans to develop a policy paper on innovative financing.
- 7) **Develop and promote matchmaking** as well as knowledge sharing tools, e.g. through business associations and/or national and regional platforms, to consolidate the market, and to close the gap between the various actors. In order to enable matchmaking, ARE works with the [Africa-EU Renewable Energy Cooperation Programme](#) (RECP) and launched the [Off-grid Matchmaking Platform](#) on the ARE website, enabling easier matchmaking between stakeholders in the sector.
- 8) **Consider community involvement and multiplier effects** when developing decentralised renewable energy business and projects. It is essential to understand the needs and aspirations of the community served, in order to develop adapted energy services offerings for households and rural businesses. Likewise, **productive use of renewable energy** must be promoted to strengthen the longevity of the business or project, as it can lead to increased local employment and hence increase the economic and social sustainability on a local level ([see ARE publication on the topic for more information](#))

## Summary of the Event

### ❖ Welcome remarks and setting the scene

**António Mexia, CEO, EDP** opened the event by emphasising the need to **invest in rural electrification**, specifically in the poorer areas of the world. He equally stressed the need for will and common understanding and initiatives, as this is what makes the sector more reliable and credible. ARE thus plays a vital role in unifying stakeholders to ensure clean electricity for all.

**Marcus Wiemann, Executive Director, ARE** also welcomed participants to the conference, gave an overview of the conference program and explained ARE's mission and working structure to better address local needs in development countries before presenting the key objectives for the Forum.

### ❖ High-level initiatives and news from ARE cooperation partners

**Georgios Pantoulis, Head of Sector for Energy, DG DEVCO, European Commission** opened by stating that policy dialogue is essential to support countries, as well as technical assistance to implement reforms more easily and support investment. The European External Investment Plan was created to this end, and is to finance projects by granting guarantees to investors.

**Faris Hasan, Director of Corporate Planning and Economic Service, OFID** stressed that OFID brings together energy and renewables producers, since they are the link to coordinate the organisation's funds and investments in the world. Therefore, OFID finances institutions, SME and private companies registered in developing countries. OFID will focus on creating good business models, which attract financing, and creating partnerships with public and private agents.

**Roberto G. Aiello, Energy Principal Specialist, IADB** pointed out that the key challenge in Latin America is to reach people that live in remote and isolated areas, which makes the conference very relevant. He mentioned that access to energy, renewables and energy efficiency are mutually reinforcing. What is lacking is political willingness, planning, innovation as well as more sustainable business models and financing. He therefore pointed out the importance of private-public partnerships.

Finally, **Daniel Schroth, SEforALL Africa Hub Coordinator, AfDB** emphasised that the AfDB strives to enable rural access to energy in Africa by 2025, based on all solutions (grid and decentralised, creating a help desk for mini-grid developers, etc.) on a country-level and company-level: We need to get away from "business as usual". He also called upon private agents to invest to help reach these goals, because there's no time to waste, and, "time is the only asset we can never recover".

### ❖ Panel: Deployment of Decentralised Renewable Energies in the Emerging and Developing world

**Guilherme Collares Pereira, Director of International Relations – Access to Energy, EPD & ARE Vice-President (moderator)** initiated the next panel with a brief introduction to each speaker.

One of the key points made by **Henning Wuester, Director of the knowledge, Policy and Finance Centre, IRENA** was that challenges change in different countries and contexts. He also mentioned that technology advancement with a wider pool of financing is essential and would reduce the reliance on grant funding. The mini-grid sector is dynamic and policies are evolving in the right direction.

**David Otieno, Head of Secretariat, Africa-EU Energy Partnership** emphasised that political will is key to advance the sector. The aim is to "go big" in terms of manufacturing and industry, since 80% of people without energy access are in off-grid areas. The key in Africa are small and medium enterprises.

**Isabelle Edwards, Off-Grid Energy Analyst, Bloomberg New Energy Finance / Climatescope** showed how Chinese PV exports to emerging markets are evolving, and how the quantity of small scale developers is increasing. Equity is improving together with investment in solar companies, but it is still challenging to make shipments towards emerging markets. She emphasised the need to create incentives for investment and gave Nigeria as an example of a country with a good policy model that works towards this objective.

**Finally, Fernando Silva, LCB PT EM Division CEO, Siemens** mentioned that technology is not the challenge, since technology is already available on the market. However, developing countries need financed solutions. Ownership and the involvement of local communities is key to the success of projects in developing countries. These nations need to see the solutions implemented as an advantage, so they get involved in their maintenance - "if you want to go fast go alone, if you want to go far go together".

#### ❖ Afternoon welcome remarks

**Rachel Kyte, CEO of SEforALL & Special Representative of the UN Secretary-General** encouraged ARE 'to more play the role of a lobbyist, and actively be the voice of the industry at high levels' and highlighted that she is working with a very committed Secretary-General to reach security and peace in the face of a humanitarian crisis, and one of the ways to do so is by emphasising the **role of sustainable energy in development**. There is a lot of progress, but it is nowhere near on the level it needs to be. The question that everyone has to ask themselves is NOT "why work in this sector?" but rather "why wouldn't we?".

#### ❖ Investing in rural electrification – public financiers

**Mahama Kappiah, Executive Director, ECOWAS Centre for Renewable Energy and Energy Efficiency (ECREEE)** also highlighted that policy and concrete action on the ground is key. He called upon a win-win cooperation model and guidance from private agents to reach these goals.

**Georgios Pantoulis, Head of Sector for Energy, DG DEVCO, European Commission** mentioned merging the credits and finance from the various actors. Therefore, focus should be on governance, capacity building and supporting investment.

**Loïc Perret, Investment Officer, Proparco** echoed this by saying that it is now known that investing in this sector improves development. To do this help from the private sector is needed, as well as good business models. The sector needs to act fast and big, but carefully and patiently.

**Frederik Jan van den Bosch, Managing Director, EDFIMC (ElectriFI)** mentioned that private sector is one of the big players, which has been largely ignored in this area. Targeted support is needed to finance what the development banks are not financing. Banks look more at risks, entrepreneurs look at opportunities, and we need the optimism and guidance of entrepreneurs.

### ❖ Investing in rural electrification - private and other financiers

**Laure Vinçotte, Managing Director, ENGIE Rassembleurs d'Énergies** highlighted that the focus of the sector needs to be on the social and environmental impact. To do this, both financing and expertise is needed. Therefore, a collective solution and approach is crucial.

**Martin Hiller, Director General, REEEP** mentioned that markets in the sector don't function like markets yet, and investment is needed to make them do so. REEEP focuses on a water-food-energy nexus, aiming at opening different kinds of investment.

**Julian Zeller, Advisor Access to Energy, Althelia Ecosphere** stressed that Althelia was initially more focused in preservation activities, but now works more with supply chains. The company now works with public and private investors, emphasising the need to create partnerships between them.

**Martin Baart, CEO, Ecoligo** said that one of the problems that contribute to the lack of financing is that countries that could receive them, don't fulfil the minimum requirements to do so. What is needed is more data to examine past projects so we have a more complete understanding of the required capacity to build new projects.

### ❖ Technical assistance for rural electrification - private and technical support providers

**Edu Willemse, Market Development Manager for Energy, SNV** outlined that we need to provide advisory services for developing countries to make consumer services and quality control possible. This can happen by providing technical assistance and training, in order to create awareness that electricity is a paid service. There's also a necessity to reach the population using services like television, music festivals etc.

**Françoise Rauser, IEC Affiliate Country Programme Executive Secretary and International Liaison Officer for Developing Countries, IEC:** IEC is an organisation that provides technical assistance for rural electrification in 170 countries around the globe. This assistance is provided through workshops and mentoring, using tools such as like e-learning.

**François Borghèse, Prosumer Marketing Director, Schneider Electric** presented the strategy utilised by Schneider Electric which is based on three pillars: business models, investment and training to certificate and empower. Through innovative technologies the population becomes more independent, and electrification makes creating businesses easier.

**Nick Gardner, Country Manager Sierra Leone, UNOPS** said that the UNOPS mission is to help people build better lives and countries achieve sustainable development. He presented a micro-grid electricity project in Sierra Leone using solar energy to tackle energy poverty in rural communities across the country. The project is implemented by the Ministry of Energy with assistance from UNOPS.

### ❖ Young Leaders in Energy Access Award Ceremony

The Summit also paid tribute to inspiring young leaders advocating and working to improve access to clean energy services in Africa. The Young Leaders in Energy Access Awards is an initiative of the Energy Access work stream under the Africa-EU Energy Partnership.

The winners of the Awards were:

- **Abdirahman Abdilahi** (Ethiopia), Energy Technical Advisor, Ministry of Energy and Minerals, Somaliland
- **Astria Fataki** (France), Founder & President, Energy Generation
- **Dina Ramaromandray** (Madagascar), Ministry of Energy & Hydrocarbons, Madagascar
- **Sayouba Guira** (Burkina Faso), General Director, Nafa Naana
- **Simon Kiragu** (Kenya), Project Officer, wPOWERHUB
- **Marta Pascual Santodomingo** (Spain), Community Development Coordinator, Trama TecnoAmbiental, S.L

The winners presented a [communiqué](#) with recommendations on how to further advance clean energy access.

### ❖ ARE Awards

The Summit also acknowledged companies and organisations, which have made special contributions to advance the rural electrification sector. In its second year running, this year's ARE Awards were discerned to:

- **GIZ** (Multilateral / International Organisations)
- **Kopernik** (NGOs and Foundations)
- **Daily Life Renewable Energy Pte Ltd.** (Private Sector in Developed Countries)
- **Solarkiosk AG** (Private Sector in Developing Countries)
- **Tanzania** (Government in Developing Country) and
- **Solar Sister** (Best Off-grid Project)

Many thanks to all panelists, participants as well as Partners and jury members for the two awards from AEEP, EUEI PDF, IEA, IRENA and UNIDO/UNFCCC and in particular to the host EDP, ARE Membership and ARE Secretariat, for their contributions to make the ARE Energy Access Investment Summit a very interesting milestone event at the start of the year.