

Scaling up the Energy Inclusion Initiative in rural Peru



New solar water heater and its proud owner.



A solar water heater being installed at a hostel in Chivay, Peru.

Background

The EII is a successful program initiated by Appui au Développement Autonome (ADA) and MicroEnergy International (MEI) which aims to increase access to clean energy through inclusive financial and technical services. A pilot project was launched in Peru with the technical assistance of local partners, EnDev/GIZ Peru.

During its pilot stage, the EII project successfully integrated clean energy technologies for productive use into the portfolio of a local microfinance institution, Fondo de Desarrollo Rural Fondesurco (FS). FS provides FONDEnergía green loans to finance energy technologies that cost between € 100 and € 900. They are directed towards local micro-and small enterprises and households, and enable the purchase of solar water heaters (SWH), improved cooking ovens (ICOs) and will include additional clean energy technologies that save energy and generate business income.

Constant monitoring has been conducted throughout the pilot phase which has enabled a regular updating of the business plan. Thanks to the support of ADA and REEEP, the EII project will be scaled up from the pilot to the commercialisation phase.

Project purpose

To scale up the EII project in Peru by expanding the loan to more FS branches, and widening the range of clean energy technologies offered, thereby providing a successful business model for clean energy dissemination in Peru.



Main activities and outputs

- Expand the FondeEnergía offering from three to 18 branches of FS
- Identify new SWH and ICO suppliers and test their products to cope with the increased demand
- Evaluate other new clean energy technologies and their value chains
- Train the staff of all FS branches offering FondeEnergía
- Support FS with promotion and public communication campaigns
- Improve management information systems to cope with the increased number of customers
- Develop an after-sales service that can process client claims and be integrated into the FS service system

Expected impacts

- 438 SWHs and 384 ICOs installed
- Reduced carbon emissions from each SWH by an average 0.578 tons of CO₂ equivalent (CO₂e) per year where an electric water heater has been replaced
- Reduction of 3,409 tons CO₂e/year for each ICO replacing a traditional wood-burning oven
- Additional 460 kW of installed renewable energy capacity
- Total energy savings achieved of 3,730 MWh per year
- FS successfully positioned as a pioneer in green finance
- Improved profitability and service by rural micro- and small businesses
- Reduced indoor pollution

Project Information

Location:

Peru

Duration:

Jan–Dec 2013

Sector:

Renewable Energy

Thematic focus:

Energy access

Total project budget:

€ 412,740

REEEP grant:

€ 149,980

REEEP donor:

Switzerland

Co-funding:

€ 262,760 from Appui au Développement Autonome (ADA)

Implementing partner:

MicroEnergy International GmbH (MEI)