

2nd International Conference

# Micro Perspectives for Decentralized Energy Supply

Feb. 27 to Mar. 1, 2013 in Berlin, Germany



## Access to Financing Solar Photovoltaic Systems

opportunities for the poor

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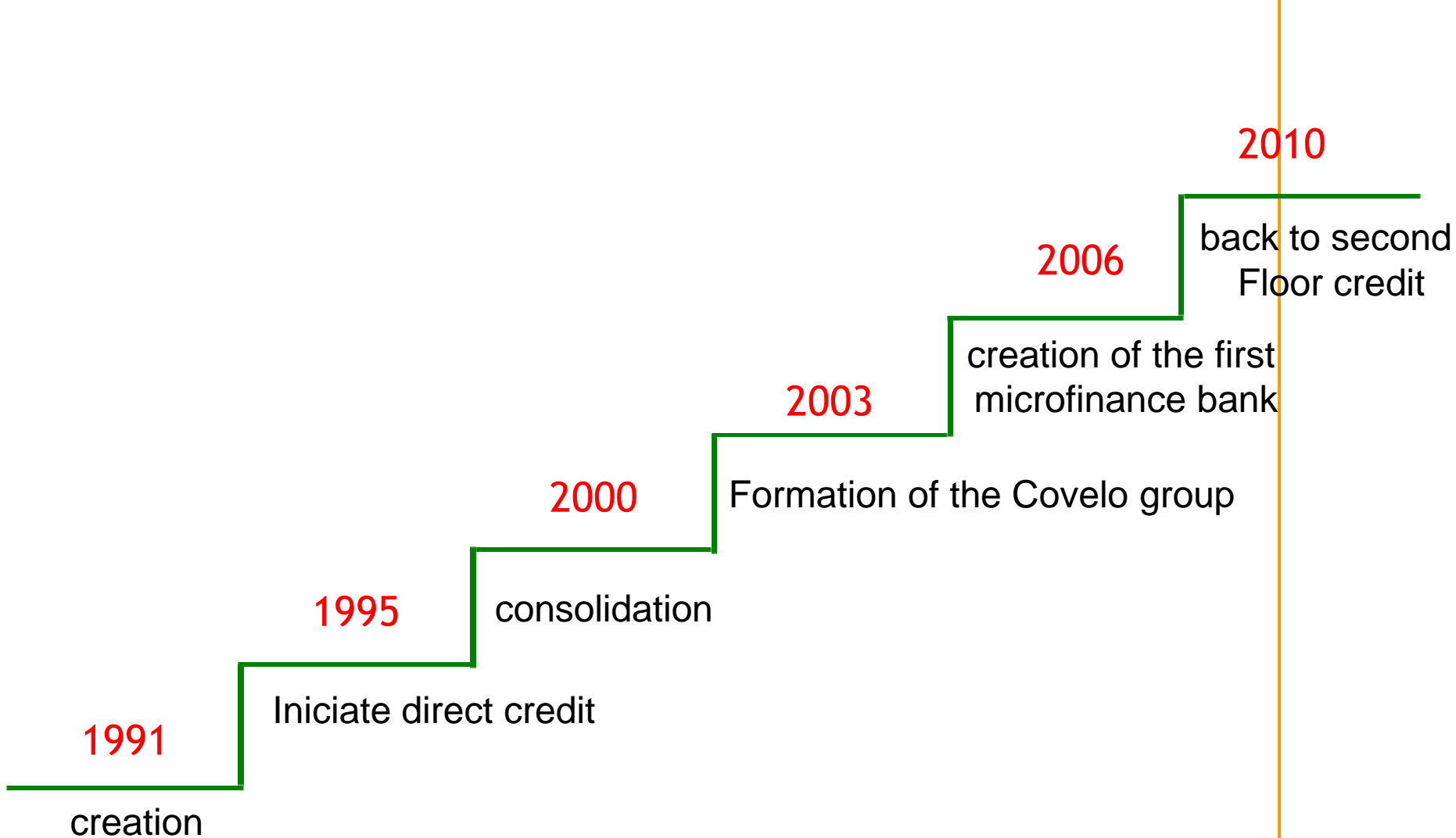


- Private institution Non profit.
- Incidence socio - political and sectoral.
- Reference of microfinance in the region.
- New product development sector support.
- Supports growth and institutional improvement in MFI

# EVOLUTION COVELO FOUNDATION



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# SOLAR PHOTOVOLTAIC PROJECT



- ✓ Entity executor      Covelo Foundation
- ✓ Funder agency      Inter-American Development Bank (IDB)
- ✓ Through the program “Opportunities for the Majority” of the IDB Covelo Foundation, will grant a loan up to U.S. \$ 3 million to establish credit lines to its client institutions.
- ✓ Covelo Foundation will put a counterpart for the same amount, for a total balance of \$ 6 million



- In Latin America and the Caribbean, about 90 million people are living in rural communities disconnected from any power source energy.
- In Central America, there are 8 million people without access to electricity, using other means to meet this need.
- In Honduras today the population exceeds 8 million, against 4.2 million that existed in 1985, when the first largest hydroelectric project was built.
- The main problem is the lack of planning in the state in terms of population growth versus energy requirement.



- In the region, there are various companies providing these products, but few have the right technology to provide credit, they are managed by the same mode in generally the cash payment, leaving rural communities without access to these solutions energy.
- The energy requirement is both for Mipymes and households, as the needs of lighting, cooking and heating are covered with the use of firewood, common coal, char coal and kerosene.
- Using these methods, in many cases causing severe air pollution inside homes, which affects mainly health and safety of women and children.



# PROJECT OBJECTIVES

- To give every Central American rural family without access to energy, the proper financing for the purchase of photovoltaic systems.
- Provide technical assistance to develop specific instruments microcredit to finance the purchase of these systems.
- Strengthen the link between Covelo Foundation, MFI and their clients, to enable the development of skills for successful project implementation.
- Achieve a favorably impact improving the living conditions of families benefiting from this project, through intermediary institutions clients.

# ADVANTAGE



IDB

\$6.0 Million

COVELO  
FOUNDATION

SUPPLIER  
COMPANIES

CONTRACTS

MFI

INVENTORY  
MANAGEMENT  
·  
AFTER SALES  
MAINTENANCE



ASSISTANCE  
TECHNICAL  
FOR  
ACTORS



# IMPACT



<b>TOTAL AMOUNT</b>	<b>US \$ 6 MILLION</b>
<b>AVERAGE LOAN</b>	<b>US \$ 1500</b>
<b>CUSTOMERS</b> direct indirect	<b>15 MFI</b> <b>3000 FAMILIES</b>
<b>QUALIFIED INDIVIDUALS</b> officials Covelo MFI advisors Supplier Companies Community Promoters	<b>at least 5</b> <b>at least 25</b> <b>at least 3</b> <b>at least 30</b>

# BENEFITS OF USING RENEWABLE ENERGY



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- Cost reduction as it relates to energy use.
- Less or no dependence on non-renewal resources.
- Less or no dependence on volatile international energy markets.
- Less or no harm to humans and the environment.



## CUSTOMERS

- ✓ Increasing income.
- ✓ Increase competitiveness and productivity.
- ✓ Improved quality of life to the household level.
- ✓ Reliable supply of energy.
- ✓ Improving health.

## MFI

- ✓ Diversification of supply of services.
- ✓ Market Expansion
- ✓ The same products can be used as collateral.
- ✓ Achieving sustainability of microcredit development tools and energy.



**BREAKING THE PARADIGM OF  
PROVIDING SOLUTIONS WITHOUT  
PROVIDING SUBSIDIES.**



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