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## CASE STUDY 19: BURKINA FASO – RURAL ELECTRIFICATION PROGRAMME

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<b>Barriers</b>	Lack of willingness from local banks to invest in rural electrification projects
<b>Instrument</b>	Grants and long term credit facilities
<b>Application</b>	n/a
<b>Amount</b>	n/a

### PROJECT BACKGROUND AND OBJECTIVES

In Burkina Faso, rural electrification and expansion is the responsibility of a single national distribution company, while isolated grid projects are done by local communities through cooperatives. The Rural Electrification Fund (REF) aims to provide investments required for rural electrification projects and to administer trust between electricity cooperatives and rural banks.

### INSTRUMENTS USED

The REF provides 75-80% grants to rural investment projects; with the remaining 20-25% investment is provided in the form of 10 year loan on concession terms.

### INSTITUTIONAL ARRANGEMENTS

The grant and loan are to be administered by a rural bank on behalf of REF.

### OUTCOMES

By administering the grants and loan, the rural banks will become familiar with the types of projects and will built relationships with electricity cooperatives. After proving that electricity cooperatives are able to pay back the loan from REF, if there is a need for more investment, the rural banks will be more likely to provide a commercial loan for rural electrification projects.