

MICRO ENERGY ALLIANCE

Developing Energy Efficiency and Renewable Energy (EE&RE) Housing Solutions for Low-income Populations in South Africa Through Micro-franchising and Microfinance



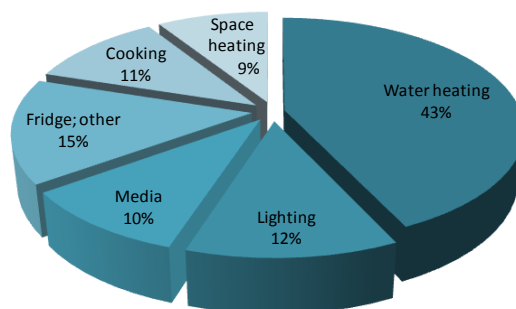
GENERAL INFORMATION

Location: Peri-urban areas in the Gauteng and Western Cape provinces, Republic of South Africa.
Duration: 36 months.

HOUSING & ENERGY CONTEXT

Among the 7.5 million South Africans without access to formal dwellings, more than half live in peri-urban areas (Finscope, 2009). The challenge to increase access to electricity and to meet increasing demands posed by rural exodus and urbanization has been partially addressed through sizeable increases in electricity tariffs and the refurbishment of coal-powered electric plants. However, the promotion of non-polluting energy solutions for sustainable development in low-income, high-density areas becomes an increasingly relevant goal. The importance of this task takes on a further dimension when one takes into account the proven link between reliable access to energy and the development of local economic activity and micro enterprises.

Peri-urban domestic energy consumption:



OBJECTIVES

SPECIFIC OBJECTIVE

Promote the use of Energy Efficiency and Renewable Energy (EE&RE) solutions in low-income areas through Microfranchising and Microfinance

GENERAL OBJECTIVES

- Improve the living conditions of economically disadvantaged populations
- Generate new, sustainable economic activities
- Reduce levels of greenhouse gases (GHGs) emitted by domestic energy consumption practices

EXPECTED IMPACT

- 100 micro franchises benefit from business and technical (product-specific) training and micro loans in order to develop income-generating activities in the retail, installation and maintenance of EE&RE products
- 1,000 households with access to microfinance services purchase equipment and appliances which are both economically sound and energy efficient
- 10,000 township residents (individuals and micro entrepreneurs) are introduced to the means to increase their available incomes and improve their well-being through better management of energy consumption

ACTIVITIES

METHODOLOGY

An integrated approach based on:

- Involvement of local governmental entities and integration into broader government policies on energy consumption, environmental protection and poverty reduction. (**DOE:** INEP, White Paper on RE, Free Basic Alternative Energy (FBAE), National Integrated Resource Plan, **DEA:** National Environmental Management Act (NEMA), **Provincial Gov. of WC:** WC Integrated Energy Strategy; **CT Municipal Gov:** IMEP.)
- Close collaboration between local programme partners, based on their objectives and know-how, and knowledge transfer, resulting in programme sustainability, as PlaNet Finance's presence phases out gradually.

Example Solutions

Solar water heaters (SWH)

Hot water system insulation (geyser blankets etc.)

Electricity appliance provision / bulk purchase

Efficient lighting (CFLs, LEDs, etc.)

Electric kettles

Biogas energies

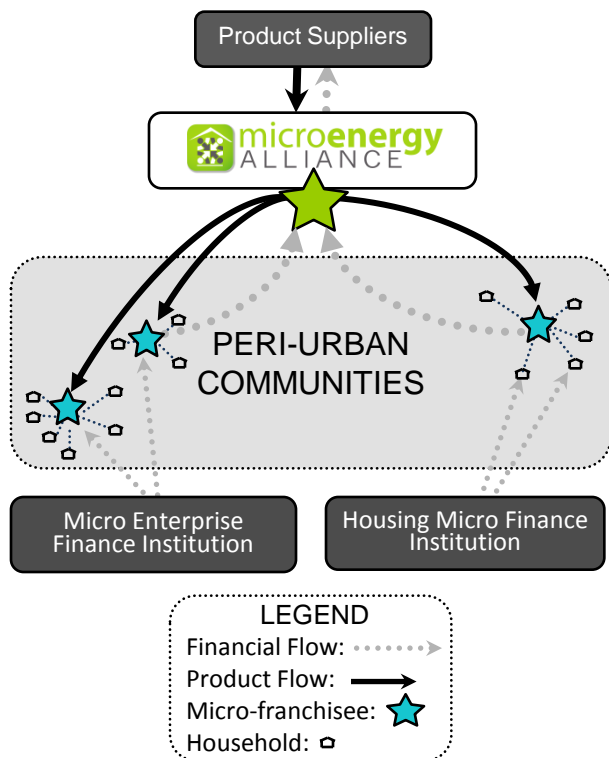
Ceiling & wall insulation materials

Plaster & other sealants

Efficient showerheads, faucets, etc.

Efficient toilet flushing

TARGET MODEL



Activity 1: Research and Development

- Market Research - identify energy needs of township residents
- Identify and select suitable EE&RE solutions
- Develop a business plan for a micro-franchiser specialized in the manufacturing, retail, installation or maintenance of selected EE&RE solutions
- Create micro-franchise

Activity 2: Support to the Supply Side

- Develop materials for micro-franchisees
- Develop training curricula for micro franchise
- Recruit and train micro-franchisees
- Support MFIs in development/adaptation of microfinance offerings
- Develop long-term business plan according to the Pilot results
- Develop comprehensive “Micro-franchisee Backpack Toolkit”
- Expand & standardize training modules
- Launch full-scale recruitment and training
- Develop “Green Energy” certification
- Conduct carbon clearance under CDM/VER market
- Up-scale microfinance offerings for micro-franchises

Activity 3: Support to the Demand Side

- Support partner Housing Microfinance Institutions (HMFIs) in the development/ adaptation and implementation of tailored microfinance offerings
- Design, organize, and implement product marketing events,
- Conduct comprehensive marketing and communication campaign, including “Township Home Expos”
- Conduct monitoring and evaluation

PILOT PROJECT PARTNERS

Financial partners:



Technical partners:



CREDENTIALS

SOME PAST PROJECTS

Project Title: Environment: Jatropa Production for Biodiesel	Country: Mali
Timeline: Jan 07 – Dec 08	
Description: Centered on the esterification of the naturally abundant and low-maintenance Jatropa tree for the creation and subsequent retail of biodiesel, the project aimed to ensure 12,000 hectares of Jatropa production, with an end goal of bringing Mali farmers additional revenues and supplanting Mali’s importation of crude oil with a renewable, domestic fuel source. Tasks ranged from conducting a feasibility study, creating a business plan for participating farmers, to facilitating farmers’ access to financial services of the Malian bank.	

Project Title: Microfinance to Increase Access to Renewable Energy in Rural Areas	Country: Tongwey County, China
Timeline: Nov 07 – 09	
Description: Promoting the use of biogas as clean energy generation, in doing so fostering energy self-sufficiency in remote rural areas, encouraging entrepreneurial activities, hindering environmental degradation, and creating awareness. Actions included the development of a loan officer relay network, a road-show campaign among villages focusing on waste management, multi-disciplinary training of MEs, and cooperation with local and regional governments towards the implementation of biogas subsidies.	

CONTACTS

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