

Objectives and Findings

Private innovators, developers, implementers and operators in the energy sector – came together yesterday at the Impact Hub in Vienna and concluded that we can **lead the way in delivering on universal energy access in Africa.**

The growth of rural electrification in developed markets came on the back of affordable, long-term financing with a knowledge that near term capital spending would be rewarded over time by accelerated economic growth. The risks in rolling out grids to rural consumers who could not afford to pay the full immediate capital costs for their own connection were as high in the developed markets of the OECD as they are in Africa today. The difference is that today in Africa this type of financing is available exclusively to public sector actors through unconditional and unaccountable grants, donations, aid, etc. and misses a lot of the potential that innovative private sector involvement can provide. Here’s how we think private sector solutions could be leveraged more effectively:

1. Support the private sector to efficiently develop and build assets, operate them, and grow portfolios and companies to scale:

- Make concessional capital and subsidies available to private sector throughout the project and company lifecycle through e.g. results based financing; long-term, low cost debt facilities for mini-grids; and support for new venture funds to accelerate successful models.

2. Focus on supporting clear and predictable market-based mechanisms:

- Supporting tariffs buy-down for not only public utilities but private utilities as well, to make the whole sector healthier financially
- Support creation of regulatory structures that open grid networks to private participation in distribution e.g. through advocacy and contingent support mechanisms

3. Allow us to show that our innovation at the “end of the grid” (and beyond) can make rural energy consumers more attractive to both private and public utilities:

- Financially support local economic activity that important to make rural consumers more able to pay for energy (and benefit from it) e.g. support local businesses looking to expand their micro-lending or farm equipment supply to areas where utilities are expanding