



## **PAMIGA Water & Renewable Energy through Microfinance**

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# Presentation of PAMIGA

- **MISSION:** Contribute to unlock the economic potential of rural Africa, by promoting the growth of existing financial institutions that service rural areas.
- **NETWORK:** 13 rural financial institutions in 8 Sub-Saharan African countries
- **AREAS OF CONCENTRATION:**
  - **Digital finance solutions** to make financial service delivery more efficient;
  - **Design of dedicated financial products** for **access to renewable energy, rural water**, and the financing of agriculture and agricultural value-chains;
  - **Responsible practices in finance, risk management and client-centric operations.**
- **INTEGRATED APPROACH:**
  - **Technical assistance** to FIs (through **PAMIGA Association**);
  - **Long-term financing** to FIs (through **PAMIGA Finance S.A.**, an **impact investment vehicle** based in Luxembourg, with funding reaching € 18 million today from public and private investors + including EIB).

# Pamiga Water & Renewable Energy through Microfinance

- **OBJECTIVE OF THE PROJECT:** Provide affordable and reliable access to electricity and water in Sub-Saharan African countries by financing micro-projects in rural areas.

## Households

(domestic use of energy)



## Micro, small and medium enterprises – MSMEs

(productive use of energy)

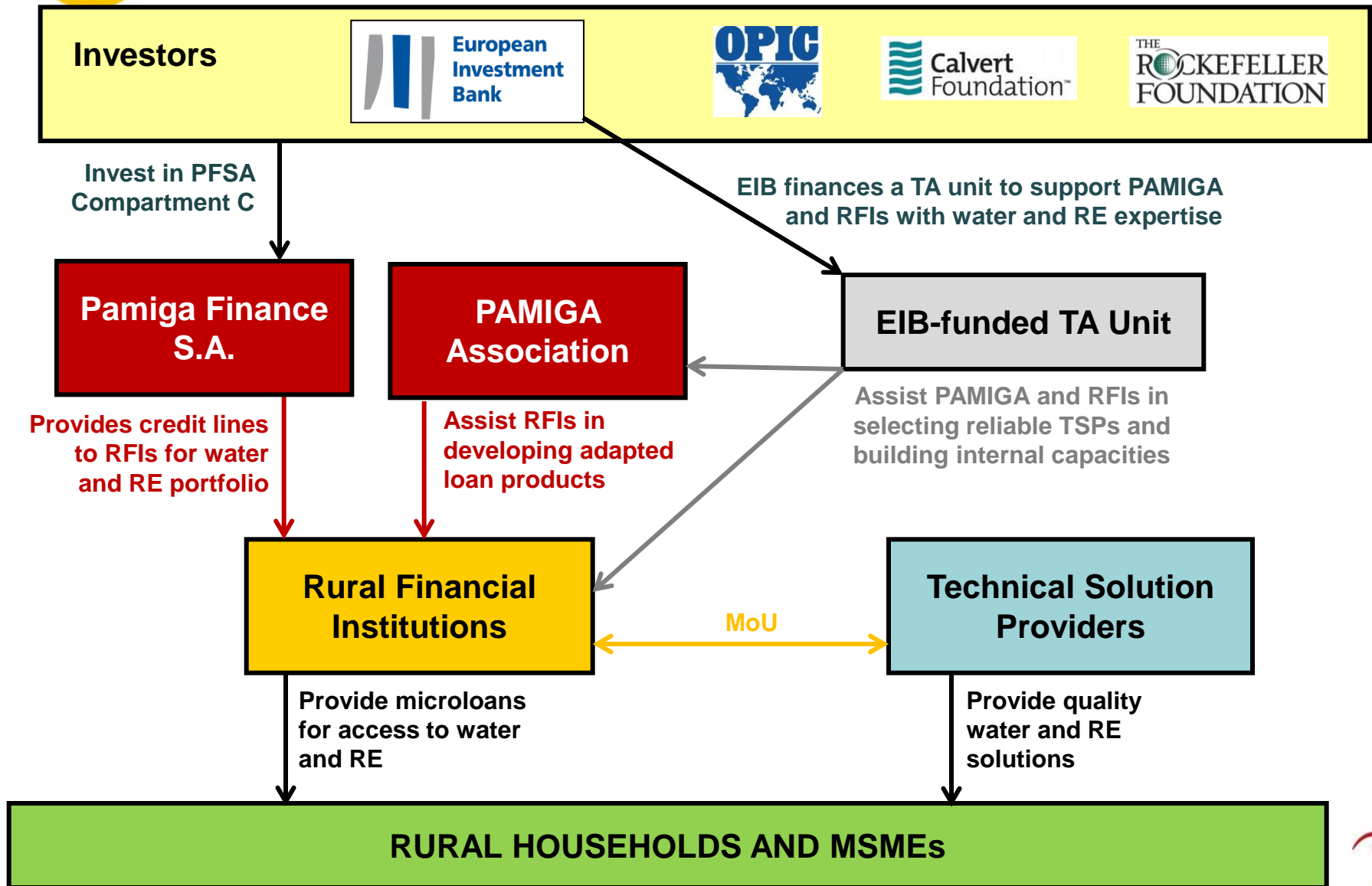


## Villages / communities

(public services and productive use of energy)



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## RESULTS:

- Program implemented in 8 countries: Benin, Burkina Faso, Cameroon, Ethiopia, Kenya, Mali, Senegal, Tanzania.
- 10 RFIs offering Solar Loans, 3 RFIs offering Irrigation Loans, 1 RFI offering WASH Loans
- Over 200 last mile agents trained
- Over 8,200 rural households having access to a solar solution; 200 farmers having access to irrigation; and 300 rural households having access to drinkable water.



# Water & Renewable Energy through Microfinance



## FIRST IMPACTS:

A study conducted by PAMIGA in March 2016, with 215 Solar Loan clients and 61 control clients from 2 partner MFIs in Ethiopia, demonstrates that the provision of Solar Loans has been instrumental in:

- **Facilitating access to solar lamps** for 92% of concerned households;
- **Totally stopping the use of kerosene lamps** for 40% of households;
- **Extending the average number of hours of lighting** from 4 to 5 hours daily;
- **Reducing energy expenditures by 64% on average** ;
- Making 68% of concerned households perceive that they have a **better access to energy in terms of cost, power, healthiness, or safety**

A photograph of a family of six standing in front of a house with a corrugated metal roof. A solar panel is mounted on the roof. The family consists of a man in a white robe and hat, a woman in a white and yellow patterned dress, and four children. The house has a corrugated metal roof and a wooden fence in front. The background shows a clear blue sky and some trees.

**More study time for children**

*"With kerosene lamps, my children could not see well. Now they can study more easily in the evening."*

**Sense of pride and socializing opportunities**

*"I am proud, I have lighting like people in Addis! Many neighbors come to our place in the evening, we all enjoy chatting together."*

**Reduction of energy expenditures**

*"We are a family of six. Before the solar kit, we used to spend Birr 20 per week for kerosene, and Birr 6 per week for charging our mobile phones. Now, we do not use kerosene anymore, we can save that money."*

**Reduction of health issues linked to kerosene lamps:**

*"Before, when I was sneezing, it was all black and dirty. Now, it is not black anymore!"*

# Strategies to upscale



- **STRENGTHEN NETWORKS OF LAST MILE AGENTS:**
  - Last mile agents are the people in charge of promoting, delivering, installing and maintaining the energy and water solutions at the local level, in rural areas.
  - As direct contacts of rural clients, they play a critical role in fostering the uptake of the solutions, educating customers on their good use, providing after-sales services, and ensuring client satisfaction.
  - To create a fully effective ecosystem, PAMIGA also assist partner solution providers in developing and/or strengthening such networks of last mile agents, through different models (Energy Entrepreneurs, franchises, etc.).



# Strategies to upscale

- **EXPLORE SYNERGIES WITH THE PAYGO MODEL:**
  - Pay-as-you-go (PAYGO) enables customers to pay small amounts periodically, through mobile money, during the system lifetime.
  - Advantages for rural clients: affordable amounts and flexibility of payments (following cash availability) + convenience of mobile money.
  - Advantages for RFIs: lower transaction costs + lower credit risk thanks to remote deactivation of the system in case of default.



# Strategies to upscale



- **PROVIDE SOLUTIONS FOR MSMEs:**
  - Beyond pico solutions that respond to basic domestic needs, there is a clear need for **larger solutions enabling local MSMEs to have a productive use of energy and water** and develop their businesses (e.g. solar water pumping for irrigation; solar energy for dairy cooling, agri-processing, etc.).
- **PROVIDE SOLUTIONS FOR COMMUNITIES:**
  - Through **minigrids**, which could power both **basic village infrastructures** (school, dispensary, market place, streets), as well as **local MSMEs** for a productive use of energy.



**Thanks for your attention!**