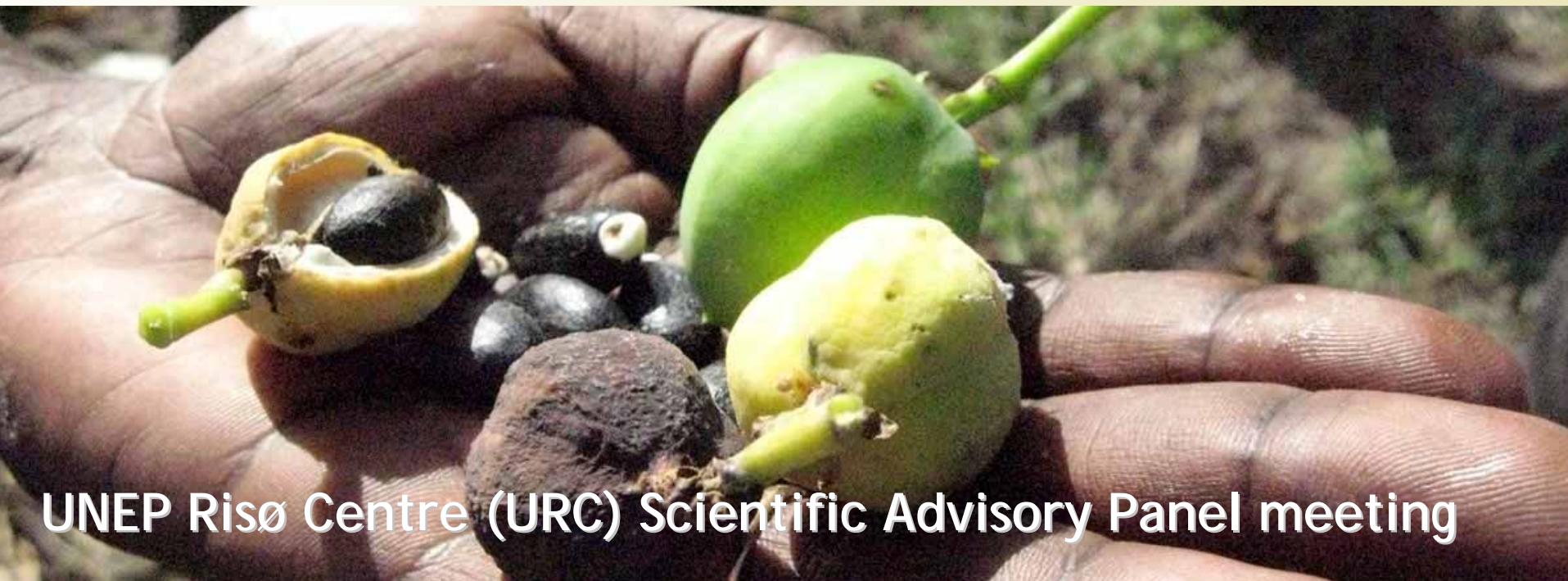




Cleaner energy development in LDCs

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MFC Nyetaa



UNEP Risø Centre (URC) Scientific Advisory Panel meeting



The African context:

Population > 800 million, 80% live in Sub-Saharan Africa

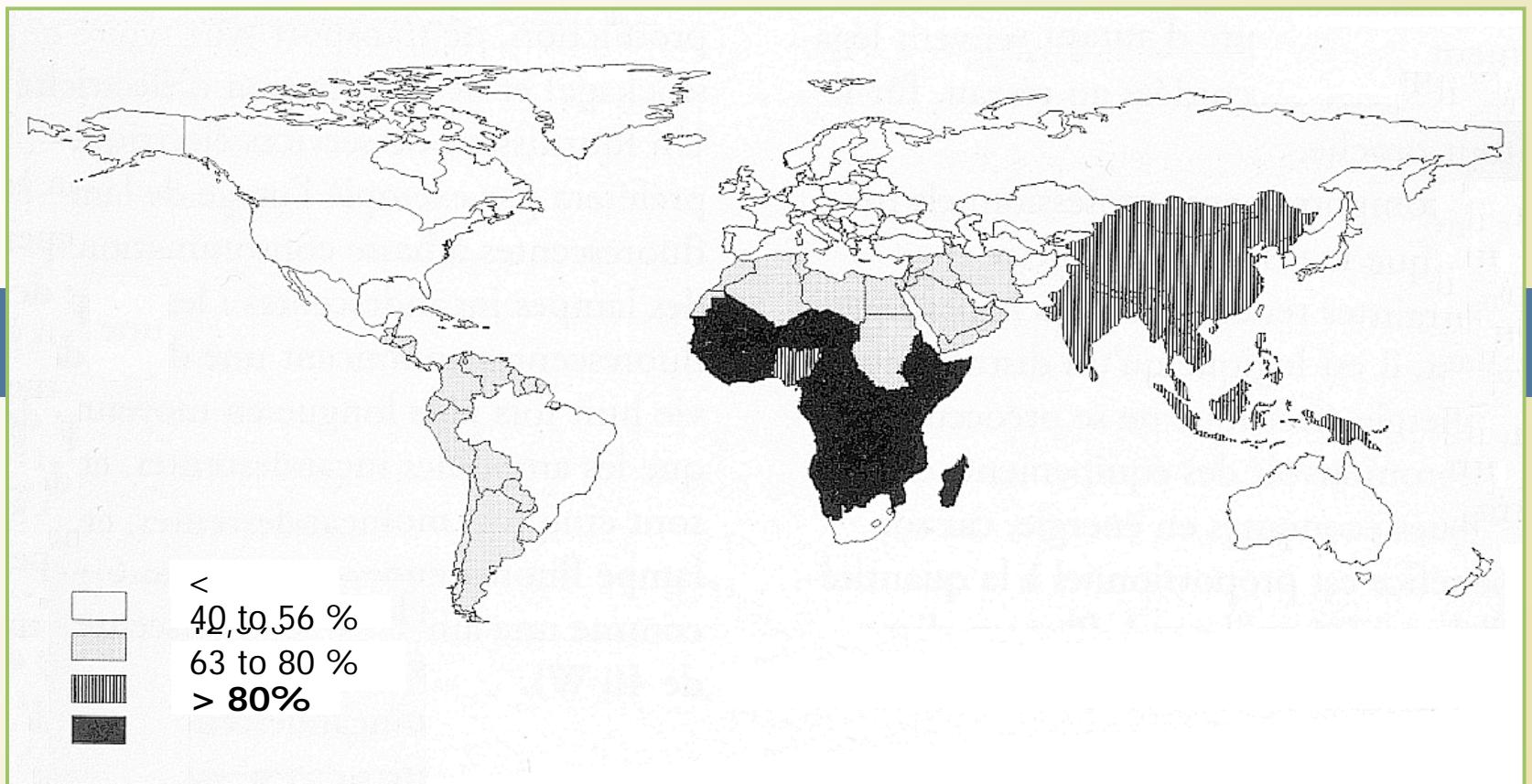
50% African people live in rural area

500 millions African people don't have Access to electricity representing 64% of the population

340 million African live with less than \$1 per day

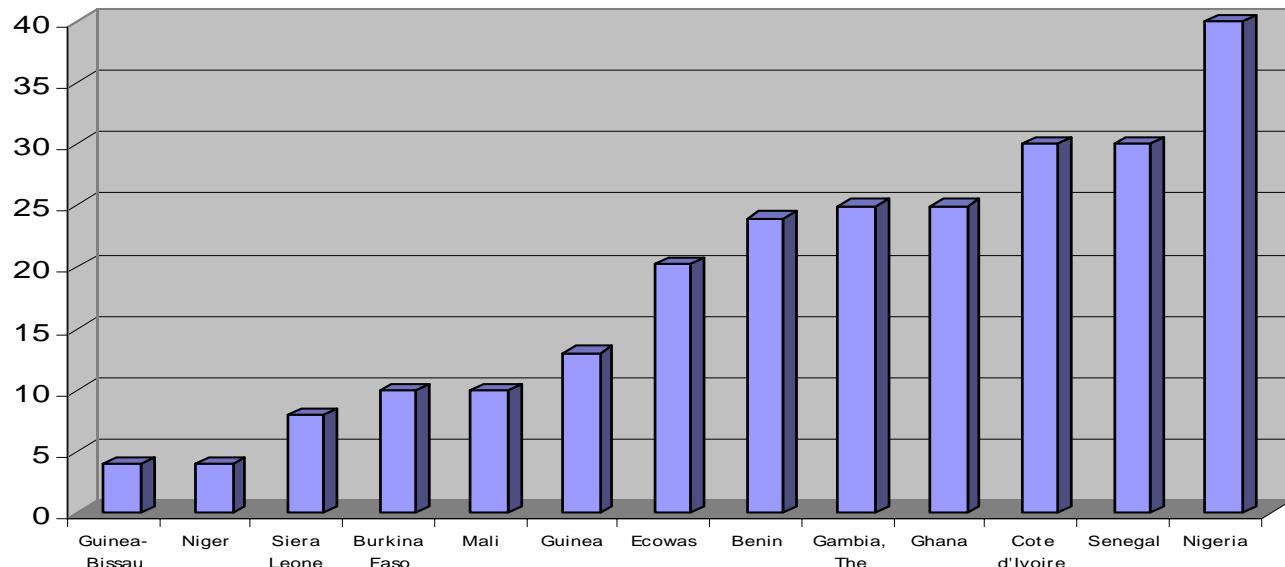
Lack of economical activities in rural area is increasing vulnerability to climate change

Percentage of population without access to electricity



- ◀ Very low access to modern energy services
- ◀ This situation makes efforts for development very difficult.
- ◀ ECOWAS policy: poverty reduction is a major concern.
- ◀ Electricity access in ECOWAS zone is around 35%

Access to Electricity (%)



Africa is running behind...

Low access to renewable energy sources

Persistently high poverty levels

Lack of diversification of economic activities, especially in rural areas

Vulnerability to Climate Change





Urgent need for energy access

Poverty reduction and economic development cannot be achieved without access to clean modern energy services

Many government and donor initiatives *STILL* push fossil fuel solutions!

Fossil fuel costs are more unpredictable than ever

And they have Climate Change impacts, which will come straight back to African countries which are the poorest and least able to adapt in the world



Africa has vast renewable energy resources (biomass, solar, & wind) which can be developed!





This can create wealth for the populations but conditions must be right!

The technology used must be well proven

The economy needs to be suited to quickly adapt to new conditions of energy supply primarily through transformation of local produce to add value and create jobs

Appropriate financial mechanisms must be put in place like grants, subsidies, low interest and long term loans (or combinations of these)



MFC has adopted this approach:

Garalo Bagani Yelen Pilot Project

Sustainable development of the Jatropha production chain (funded by the Danish Embassy in Mali), implemented by the National Directorate of Energy in partnership with MFC & Malian research institutes

Nyetaa Finance, a microcredit initiative of MFC, supported by UNEP Renewable Energy & Enterprise Development Programme (REED: AREED II)

Garalo Bagani Yelen - a new paradigm of energy for sustainable development



- ◀ 300 kW of gensets, to run on locally produced Jatropha bio-oil
- ◀ Village population of 10 000 people
- ◀ Part funded by the Malian Rural Electrification Agency (AMADER), SHGW and DOEN Foundation (Netherlands)
- ◀ 15 years of clean electricity production will transform the local economy. African villages need power - (biofuel or it can be diesel)
- ◀ Largest project of its type in Mali (in terms of plantation size and power output), possibly in West Africa.
- ◀ Electricity will be a catalyst for local SME/SMI development and job creation



Pure Plant Oil (PPO) or Straight Vegetable Oil production:



- ◀ Basic equipment generally consists of an oil press & filter to clean the oil.
- ◀ Converted diesel gensets provide the power
- ◀ But this can become more sophisticated and automated, with electronic control and several filtration steps
- ◀ 1000 ha of Jatropha plantations to be made



Nyetaa Finance

With equity capital of 100 000 USD, it is now launching a small loan programme for clean energy for productive use

Wholesale loan facility of 400 000 USD has been established, of which 200 000 USD is provided by UNEP in the frame of AREED II, and the remaining 200 000 USD is provided by a Malian bank

Nyetaa Finance has favorable rates and already has a portfolio of 1500 clients in less than 8 months of existence, with 3 offices in rural areas

Productive use loans Nyetaa Finance will contribute to reduce the vulnerability of beneficiaries in the face of Climate Change and make energy access possible.



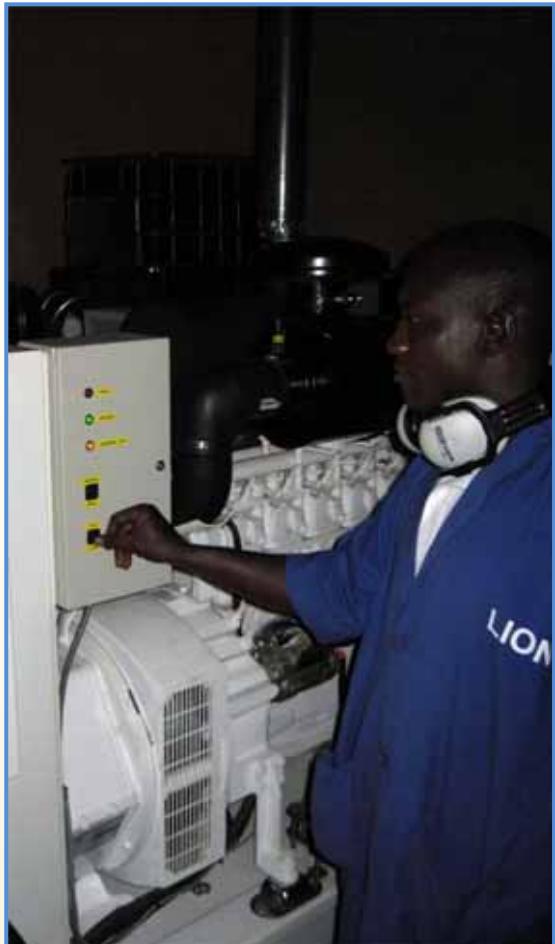
Bagani Courant 10 - taking it to the next level

MFC Nyetaa has secured funding for a 1.8 million multi-partner project which will upscale the Garalo model to 10 villages

Partners include
SenterNovem (Netherlands),
DOEN Foundation
(Netherlands), Christian Aid,
ACCESS & AMADER



Bagani Courant 10 -



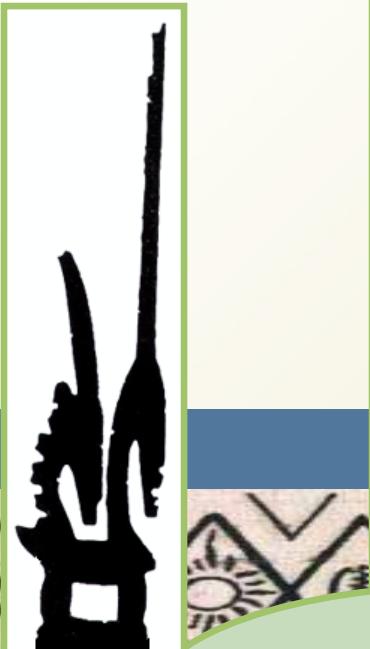
The project will plant 1500 ha of Jatropha using intercropping techniques

2400 connections (domestic & for productive users of all kinds) will give access to 19 200 people + 6800 will be served by battery charging

500kW installed capacity

It will provide support to cooperatives in the target villages which will be productive users – i.e. using clean electricity to transform local agricultural and other local produce and add value in the villages





Anicié - Thank you!

