Digital Seminar Series:
'Maximising the Impacts of Energy Access'
Takeaways from Seminar 3:
'Drawing Economic Benefits'

This digital seminar focuses on how energy projects can create opportunities for people to use energy productively, thus drawing economic benefits and improving their livelihoods. We talked with Luciana Proietti, Co-founder and President at Foundation 500RPM, Victor Gathogo, Energy Advisor at SNV, and Temitope Udo-Affia, Technical Assistance Coordinator for Off-Grid Regulation and Market Development at GET.transform. Here are our key takeaways from the session:

On current energy use by businesses:

- Understanding the current business use for energy is a good starting point, but identifying untapped business potentials could be even better.
- Energy can imply different value propositions to the users: e.g., mechanisation may offer time savings and reduced workload while fuel replacement may provide cost savings.
- Supporting businesses requires “non-energy” knowledge and skills, such as agronomy, entrepreneurial development, accounting, marketing, etc.

On energy use technologies and markets:

- Productive energy technologies are as diverse as the types of business users
- Appliance technologies (such as pumps, sprayers, mills, presses, refrigerators, e-bikes, etc.) play a central role as they determine the actual value proposition for the users.
- Markets for productive energy technologies can be complex, entailing different power sources and several types of appliances, and may target diverse applications.
- Several useful products and services have evolved in recent years; however, further efforts are necessary to develop technological and business innovations
- Availability of appropriate equipment, quality assurance and affordability remain challenging.

On finance:

- Two types of value chains need to be considered: the supply chain of productive energy technologies and the value chain in which the energy users market their products.
- Diverse financial mechanisms are needed, due to the diversity of technologies and the different levels of commercial maturity.
- Early-stage innovators require funding for R&D and pilots.
- Innovative PUE companies require upfront capital for scaling up their businesses.
- Consumer finance can help by triggering and consolidating the sustained demand required by market-based approaches, but it requires adaption to users’ financial capacities and seasonality.
- Climate finance provides opportunities to address supply and consumer finance gaps.

On (other) key enablers:

- Regulations to reduce the barriers to starting up and/or the costs of operating businesses for the supply of productive energy solutions.
- Quality certification systems to protect consumers while providing enough room for further innovations.
- The establishment of a network of skilled technicians to ensure after-sale services.
- Cross-sectoral cooperation to ensure impact: e.g., by integrating energy considerations into programmes dealing with agriculture, rural development, health, promotion of small industries, etc.

Links to relevant resources:

The Market for Productive Uses of Solar Energy in Kenya: a Status Report

This report provides a comprehensive picture of the vibrant sector that is emerging in Kenya, enabling the development and consolidation of innovations for the diverse types of applications in which energy can boost the economic productivity of Kenyans.

Energy for Rural Industrialisation Productive Use of Energy 2.0.

This study examines the innovations and models emerging in the market, discusses the challenges and provides recommendations for the large-scale deployment of productive uses of energy.

Productive Use of Energy – Pathway to Development? Reviewing the Outcomes and Impacts of Small-Scale Energy Projects in the Global South

This study analyses the results of an impact evaluation of 30 small-scale energy development projects to better understand whether and how the supply of sustainable energy services supports productive use activities.

Kelleñ Kuruf: Wind Energy for the Development of the Patagonian Steppe (in Spanish)

This video introduces an exemplary case of productive use of energy for horticultural production by the Foundation 500RPM. Wind energy powers a drip irrigation system to grow strawberries in the Argentinean Steppe.

To the digital seminar:

Drawing Economic Benefits – Maximising the impacts of energy access by drawing economic benefits from the productive use of energy