



25x25 Electricity Access Action Collaborative: Concept Note

May 2018

In the 25x25 Collaborative, four leading non-for-profit development organizations (Hivos/ENERGIA, Practical Action, Power for All, and SNV) join forces to urgently accelerate electricity access in 25 countries by 2025 by activating decentralized renewable energy markets. The proposed interventions focus on building local capacities for improving policy & regulatory frameworks, increasing access to finance, developing supply performance, and creating demand. The 25x25 Collaborative works in a coordinated effort with government bodies, private sector, financial institutions, civil society organizations, donors and customers, building on its existing local presence and unique expertise in Sub-Saharan Africa and South & Southeast Asia.

Situation

A group of trusted organizations committed to accelerating universal electricity access -- SNV, Hivos/ENERGIA, Practical Action, and Power for All -- recognize that the level of ambition and urgency for achieving Sustainable Development Goal (SDG) 7 is far from what's needed to deliver *modern, affordable, sustainable and reliable* energy for all before 2030. Most low energy access countries are being left behind due to lack of necessary support. In sub-Saharan Africa, on our current trajectory, the number of unelectrified people is expected in rise, not fall.

This situation demands immediate, coordinated and collective action. Yet no one organization can address the challenge alone.

Already partners in the Power for All campaign since 2016, the four organizations have now committed to deepening their collaboration to catalyse the needed finance, policy, capacity-building and technical support for distributed renewable energy solutions that can deliver universal electricity access in 25 underserved countries before 2025 (the “25x25 Energy Access Action Collaborative”, or the “Collaborative”).

Working together as well as with local partners, the Collaborative will leverage impact by implementing a sustainable, multi-stakeholder public-private market activation model that delivers scale at speed at the national and sub-national levels.

What is **Market Activation**? The concept of activation is based on facilitating the establishment of and/or alignment of a market ecosystem. Market activation generates supply and demand of clean energy access solutions by working hand-in-hand with governments, private sector and civil society to unlock the necessary policy, regulatory and financial support to build the sector on the ground, which will in turn create opportunities for enterprise, and deliver benefits to the energy impoverished.

Collaborative Objectives

- Develop and implement **Energy Access Market Activation** that leverages proven methods and existing global and in-country experience, knowledge and networks
- **Build Local Capacity** to ensure long-term traction and success
- **Enable Better Livelihoods** and SDG-associated benefits (healthcare, education, WASH, jobs, etc) through radically accelerated access to clean, affordable electricity

Collaborative Engagement

The Collaborative will maintain light, high-level coordination while drawing on existing institutional infrastructure (at both main and satellite locations). Each partner organization of the Collaborative will be tasked with being the lead for market activation in at least 5 countries. It will be up to each organization to determine the best local partners to engage for success within mutually agreed to parameters.

Collaborative Operation

Global: The 25x25 Collaborative will develop a coordinated approach to advocate for desired support from multilateral and bilateral organizations based on country needs. Knowledge products and information dissemination that support the objectives of the collective will be undertaken by existing resources within the Collaborative, which will be budgeted separately from the in-country work and function as support for all Collaborative members.

National: The 25x25 plan will apply the same basic approach to market activation. That said, because no two countries are the same, slightly different models will be applied for different situations (based on population, geography, political will, ease of doing business, regulatory challenges, security, access to mobile money, etc). The approach for market activation will follow a process (recognized as a best practice in frontier markets) that has been piloted in sub-Saharan Africa, based on a Target-Task-Transform (TTT) Model (see Appendix). The approach involves working closely with government to determine appropriate national and/or sub-national electrification targets, followed by the creation of a public-private taskforce (including ministries, donors, banks, private sector and civil society) responsible for implementing the targets. The TTT model is still evolving.

As a start, the group will employ three different country-level “filters”, each with slightly different resource commitments based on in-country situations. A more detailed matrix for metrics determining the filters will be co-created by Collaborative members.

- Green: existing political will, nascent market, relative ease of doing business
- Yellow: some level of supportive frameworks, including strong local partners
- Red: governance and security concerns

Geographic Focus

The organizations participating in the 25x25 Energy Access Action Collaborative have sometimes different and sometimes similar geographic footprints. The goal of forming the Collaborative is to leverage different geographic strengths, as well as the passion and knowledge of staff in those

geographies, to ensure that the ambition of 25x25 can be achieved. The targeted 25 countries -- all facing low rates of electricity access -- will be determined through a blended analysis that takes into account government demand and capacity, SEforALL Heatmaps and RISE, Climatescope, analysis from the Least Developed Countries (LDC) Chair and IIED, Power for All's Tipping Point Index, and other inputs.

Target-Task-Transform (TTT) Model

One methodology that has shown initial success in several sub-Saharan African countries is a multi-stakeholder model piloted in Sierra Leone by Power for All, its campaign partners and the Department for International Development (DFID) of the United Kingdom, and now being prepared for other countries such as Nigeria. This approach was named a finalist for the 2018 Ashden Awards in the Energy Access Pioneer category, and was recognized at the World Future Energy Summit 2018 as a “Best Practice for Solar Capacity Building.”

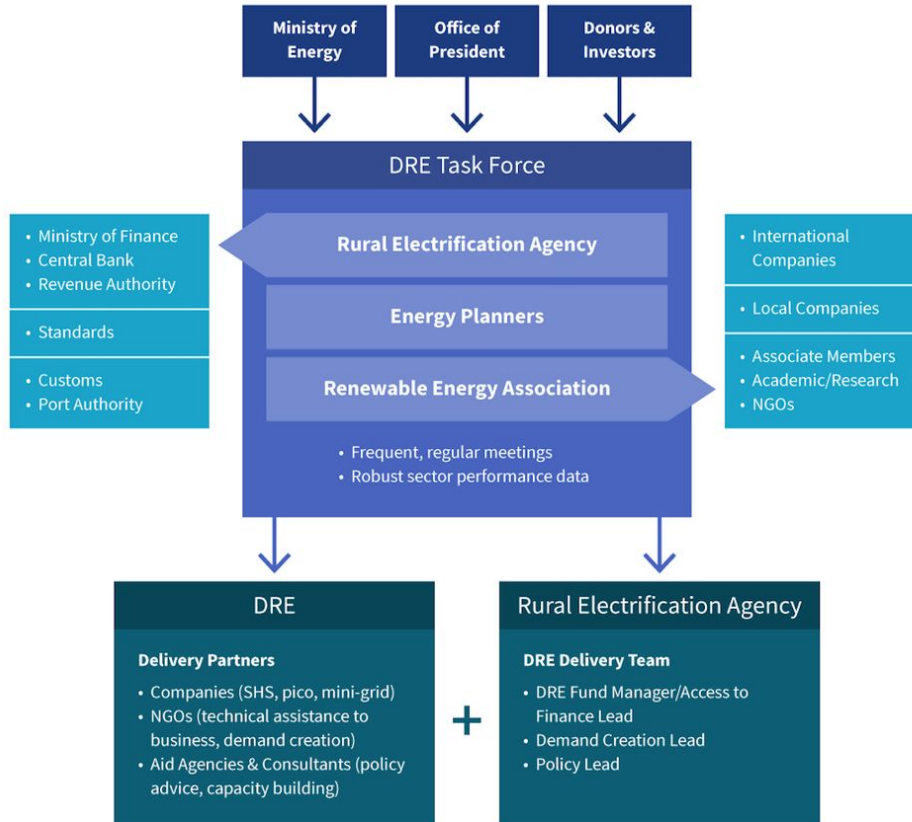
The methodology (see diagram below) is based on a theory of change that national electrification targets (a proxy for political will) create market potential, and that potential can only be realized if there is a mechanism to ensure policy implementation. A multi-stakeholder taskforce is the platform for market activation and transformation: through establishing or professionalizing energy access trade associations, reforming tariff structures, engaging in demand creation and awareness raising among consumers, training and capacity building for government, banks and media, creating new facilities to unlock affordable, local finance and working to attract companies into new markets.

“This approach is unique and has been very effective in handling energy access for the country... we’ve found that the messaging and impact is better made when you have all hands on deck...

Power for All [is] filling in gaps and pushing the Energy Revolution.”

-- Sierra Leone’s Ministry of Energy, Henry Macauley

DECENTRALIZED RENEWABLE ENERGY (DRE) TASK FORCE



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