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# **PACE**

**Public Private Partnerships for Community Electricity in  
Ethiopia, Nepal, Sri Lanka and Uganda**

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## **Introduction to the PACE Project**

**Jeremy Doyle, Project Manager, ESD**

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# Summary



- General Background and PPP Issues
- Project Purpose and Benefits
- South Africa and Kenya: electrification
- Programme



# Decentralisation of Government

## Liberalisation of the electricity sector

### Twin **objectives**:

- Sustainable economic development (Cost/benefit?)
- Greater access to electricity

## **Growing interest in PPP electricity and livelihoods**

PPP successes – India, Nepal, Sri Lanka, Philippines...

# Why does PPP have such potential?



- Electricity for production
  - > Stimulates investment in electricity
  - > Drives local economic growth and income generation
  - > Provides local technical and management capacity
- Access for Rural Schools, Clinics, etc
  - > Solves access & management problems (PPP = solution)
  - > **Provides major livelihood benefits (communal uses)\***
- Local public authorities
  - > Provide access to land, permits
  - > Offer medium to long-term risk mitigation for the investor

# What does this project involve?



- 18 month duration, ending Dec 2003
- Technical experience & support
  - > Rural energy access, poverty, electrification, policy, regulatory, technologies, financial
- Livelihoods analysis
- Project identification and promotion
  - > 2 pilots per country
- International networking and dissemination

# Project Purpose



- **Project Purpose: Define and test** models for PPPs to deliver electricity services to **rural and under-served urban communities** to enable the provision of electricity for **communal and domestic** access.
- **Direct benefits:** improved **livelihoods** for communities, **income** for private business, and **income** for public authorities.

# PACE Project Outputs



Oct-02

- 1 Country assessment** of the status of private sector involvement and impact on poorer communities.

Jan-03

- 2 Sustainable Livelihoods Evaluation.** Action plans for most promising models, 2 pilots tested per country

Mar-03

Nov-03

- 3 Guidelines** detailing recommended operational models for such PPPs

Nov-03

- 4 Suite of “Model Documents”** (standard PPP contracts, financial arrangements)

# South Africa – grid electrification programme, ESKOM lessons learned



**1994-2002: USD 1bn, up to 1000 connections/day**

“Customer knowledge is essential”

“Standards must be based on proven pilots”

“Tariffs and revenue collection must tie in to technology and culture”

(WBCSD, Eskom case study)



# Kenya: USD 6-8m market per annum in PV and lead acid batteries



- 70% of systems are 12-15W at a cost of USD 120-300
- Significant quality problems
- Inequity: limited benefits for rural poor

# Colombo Programme



## Monday

- Country Presentations
- Sri Lanka in detail & **Plenary**
- Evening Reception

## Tuesday morning

- Sustainable Livelihoods
- Energy Forum, World Bank, CEB & **Plenary**

## Tuesday-Thursday

- Team: Site visits and Stakeholder meetings