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MINISTRY OF NEW AND RENEWABLE ENERGY

INDO-GERMAN ENERGY PROGRAMME – ACCESS TO ENERGY IN RURAL AREAS (IGEN-ACCESS)

SITUATION

More than two-thirds of India's 1.25 billion population lives in rural areas, with little or no access to modern energy services. Despite the Government of India's best efforts to address this infrastructural need, over 300 million people still do not have access to electricity while over 800 million still depend on traditional fuels and practices for their cooking needs (World Energy Outlook, 2014).

Responding to the above situation, several renewable energy based rural enterprises stepped in with innovative solutions and business models. Several challenges within the off-grid ecosystem have been responsible for limiting the scale of business for enterprises. Low awareness levels among the target customers translate into limited demand for solutions provided by rural energy enterprises. Poorly developed supply chains further add to the challenges. The absence of a supportive ecosystem, be it a conducive policy and regulatory environment, easy access to enterprise and end user financing, access to a pool of skilled/qualified human resources etc. is also a key barrier to the scaling up of these rural enterprises.

Objective

The Indo-German Energy Programme - Access to Energy in Rural Areas (IGEN-Access) seeks to create a conducive environment for renewable rural energy enterprises and make energy services easily accessible.

APPROACH

The IGEN-Access design is based on lessons resulting from an earlier project, the Indo-German Energy Programme – Renewable Energy Component (IGEN-RE). The focus here was on pilot and demonstration projects for a better on-the-ground understanding of issues related to energy access in rural India. A further focus was on market development and business models that ensured long term sustainability of such initiatives.

Adopting a more holistic approach, IGEN-Access will build upon three strategic pillars: Private Sector Development and Innovation, Access to Finance and Public Support Programmes.

- **Private Sector Development and Innovation:** The focus will be on enhancing the value chain of energy access interventions in India's energy poor regions through training and incubation centres that support early stage rural energy enterprises.
- **Access to Finance:** The emphasis will be on building capacities within public and private financial institutions to increase lending for rural energy solutions. Efforts will also be made to co-create innovative and socially-acceptable financing instruments at the enterprise and end-user level, where traditional instruments are not applicable.
- **Public Support Programmes:** These programmes will help to stimulate use of renewable energy in development and implementation of national and state level support initiatives such as the Unnat Chulha Abhiyan (UCA), which promotes use of energy-efficient cookstoves. IGEN-Access will extend support to the Ministry of New and Renewable Energy (MNRE) and State Nodal Agencies.

EXPECTED ACHIEVEMENTS

The IGEN-Access project is expected to yield multiple benefits at different levels:

- A minimum of 75 percent of rural energy enterprises supported by IGEN-Access directly or indirectly, will display significant improvement of business conditions during the next three years.
- IGEN Access will assist in the development and adoption of two national or state level programmes for example supporting the Government of India in providing power for all by 2019, installing of 100,000 solar water pumps in the next few years and distribution of three million improved cookstoves over the next three years.
- One financial instrument tailored to the requirements of rural energy enterprises or households will be introduced on a national or state level.
- Ten rural energy enterprises, of which three will be managed by women, have been trained by the project partners and have developed business plans.

While access to energy will improve the quality of life of the people, it will also provide new opportunities for income-generating activities. Replacing traditional fuels with modern energy under the project will benefit women and children, in particular, as they are exposed to high levels of indoor pollution on a daily basis due to the use of biomass for cooking. Such initiatives will be important milestones in the project's journey towards facilitating easy access to energy in rural India.

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