

# Unlocking barriers to large-scale deployment of individual solar systems

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# # 1. What are the significant constraints to rapid scale?

- Business finance
- Consumer affordability / Cost of product
- Mobile Money penetration

## # 2. What regulatory changes are the most important?

- Reduce Duty (20%) and VAT (5%)
- Improve Mobile Money regulations

# # 3. What are the best ways to apply financial support to reach more people?

- Mobilise up front business capital e.g.
  - Reduce interest rate to solar company
  - Fund receivables / SHS portfolio

## #4. What are the best ways to enable solar home system companies to reach challenging areas?

- Subsidise the higher costs for solar companies to serve consumers
- Better data
- Subsidise the consumer price

# Nigerian Electrification Project: SHS Component

	Output Based Fund	Scale-Up Challenge Fund
<b>Budget</b>	\$15 m	\$60 m
<b>Aim</b>	Help capable solar companies reach more homes faster, by attracting commercial investors, underpinning business risk and enabling faster investment in reaching customers	
<b>Mechanism</b>	Grant per system. Approx. 15% of price. Not used to reduce customer price.	Lump sum grants awarded against business plans
<b>Company Requirements</b>	Quality solutions and after sales	Capable of growing rapidly to deliver massive scale
<b>System requirements</b>	Minimum size: 6Wp, 3 lights Emphasis on SHS (~ 50Wp)	No Minimum size Emphasis on SHS (~ 50Wp)
<b>Access to Fund</b>	Pre-qualify. Claim after sales made.	Competition.

# Feedback on the SHS component

- Useful design
- Will help companies grow
- Concerns
  - Will grant overcome the barriers?
  - Baseline vs additionality
  - Controls against fraud