IBEKA in Indonesia – via FIT for micro-hydro – first priority was giving access to members who didn't have it; then for local education and health care.
## FiTs in Africa

<table>
<thead>
<tr>
<th>FiTs already in place:</th>
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<tr>
<td>Algeria</td>
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<tr>
<td>Kenya</td>
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<tr>
<td>Mauritius</td>
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<tr>
<td>Rwanda</td>
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<tr>
<td>South Africa</td>
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<tr>
<td>Tanzania</td>
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<tr>
<td>Uganda</td>
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<table>
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<th>FiTs being planned (2012)</th>
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<tbody>
<tr>
<td>Botswana</td>
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<td>Egypt</td>
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<td>Ethiopia</td>
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<td>Namibia</td>
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<td>Nigeria</td>
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## Alternatives beyond the Grid

## How Tanzania’s REFiT Promotes Mini-Grids
Lessons and Recommendations

• Building momentum for the REFiT
• Designing the policy
  – Right process
  – Right contents
• Creating enabling environment
• Integrating REFiT into wider development strategy
Building momentum

• Can be attractive if seen as driver for economic development

• International organisations, donors, CSO support = important (overcome vested interests)

• More support if integrated in wider development strategy

• Overcoming scepticism (e.g. Tanzania)
Designing Policy

• Process – inclusiveness important (poor sidelined in many countries); coalitions

• Content:
  – Cost-reduction VS wider socio-economic benefits
  – Small VS big
  – Net metering and differentiated tariffs allow smaller producers and local ownership
  – Namibia = mix (net metering; FiT; ReBid)
Content

• Tariff levels and cost recovery:
  – avoided cost to avoid price rises
  – Low tariffs don’t stimulate investment (or only large projects – limits for access)
  – N.B. Rwanda – cost of generation was in fact cheaper (grid stability, economic dev, access, fast outlay); Uganda – front-loaded tariffs (Uganda)

• Cost sharing: innovative ways of cross-subsidising, n.b. no middle class; minimum free (design)?; taxing dirty energy; international climate finance

• Grid issues: often poor quality; very limiting or expensive; SPPs?
Creating Enabling Environment

• Simplifying process: tricky administrative processes (Kenya, Uganda) – standardised PPAs, clearly defined responsibilities, extra ‘capacity’ e.g. Atlases

• Capacity in utilities and ministries (technologies, etc.)

• Access to finance: national banks regard as risky; PPAs not credit-worth (utility - Tanzania); international support goes via banks (more expensive – therefore agencies?)
Creating Enabling Environment

• Local awareness: local accepting – success stories; government pilot projects (Rwanda and public services)

• Local Technical capacity: import of labour and tech increases cost – unattainable for local developers, so go for less quality; local supply chains key – e.g. East African Tech Centre

• Poor installation and maintenance undermine confidence; building capacity important for local development
Integrating in wider development strategy

• To fully unlock, need to embed in wider strategy (not just ‘cheapest energy’)
  – For energy access (how deal with off-grid)
  – For jobs – creating supply chains (labour and industry)
  – Include in education – vocational
  – Industrial strategy
  – Rural development and poverty alleviation strategies
  – Greater benefits come from increased local involvement, ownership and management (in design e.g. what is it needed for? How shared? How priced?)
  – Need suite of complimentary policies from wider strategies