



Incentives

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Energy Related Millennium Development Goals

- Energy touches on all areas of development “indirectly”, e.g. in terms of providing the circumstances to meet the MDGs, such as halving mortality by providing electricity in hospitals. Specifically:

MDG Target	Facilitates ?
Target 1.A: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day	Income generation/ Productivity
Target 1.B: Achieve full and productive employment and decent work for all, including women and young people	Productivity
Target 7.A: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources	Energy efficiency and a sustainable approach



Energy Services and the MDGs

Meeting the MDGs requires access to at least three types of energy services:

1. Energy for cooking,
2. Electricity for illumination, ICT, and appliances to support household and commercial activities and the provision of social services, and
3. Mechanical power to operate agricultural and food processing equipment, to carry out supplementary irrigation, to support enterprises and other productive use, and to transport goods and people

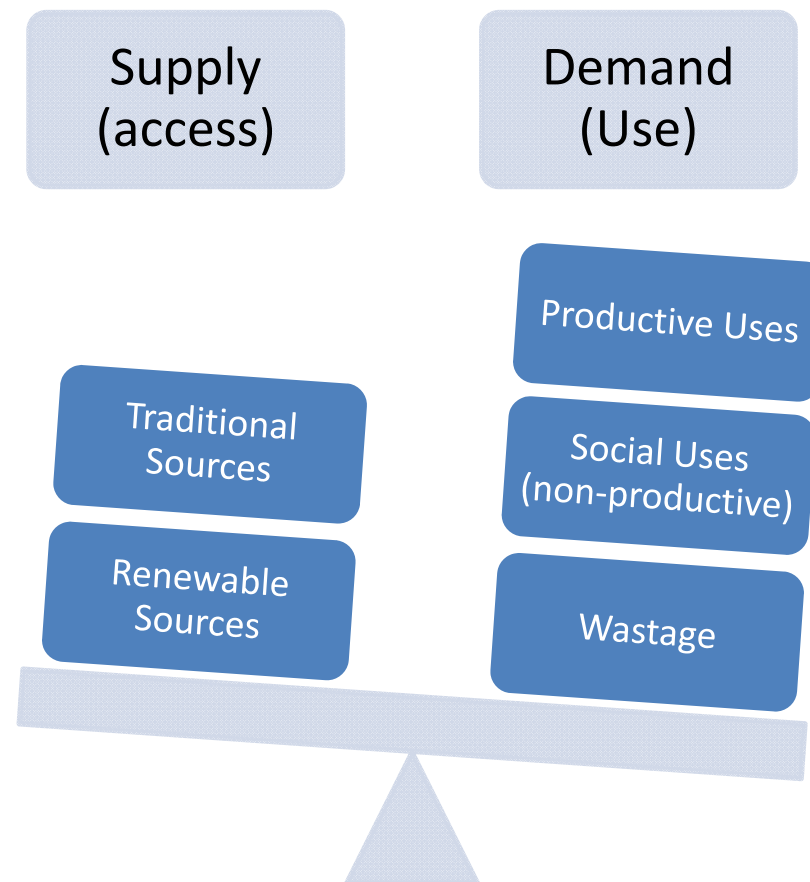
Energy services are essential to both social and economic development.





Balancing Access against Use

The fundamental target is “improving **socio-economic development** by providing access to modern energy”





Promoting Energy for Development

- How can we promote the use of energy as a factor for local development?
- What are "productive" uses of energy?
- How can we ensure that energy supply does not lead to excessive increases in energy demand?
- **Incentives** to focus on balancing supply with demand for energy – using energy efficiently



Productive versus Non-Productive

- For example:

Use	Productive Use	Non-Productive Use
Light	Studying for school	Bar lighting
TV	Educational programming	Entertainment
Phone charging	Access to market prices	Socialising





Some Productive Uses of Energy

Processing

- Meat and fish drying
- Edible flower drying
- Rubber drying
- Spice drying
- Cereal grain processing
- Coconut fiber processing
- Gypsum processing
- Grain mills
- Sawmills
- Silk production
- Silkworm rearing
- Textile dyeing

Heating and cooling

- Air conditioning
- Commercial Stoves and Ovens
- Ice Making
- Milk chilling
- Refrigeration of medicine
- Water heating

Water-related

- Desalination
- Pumping for Irrigation
- Pumping for Potable water
- Purification

Communication

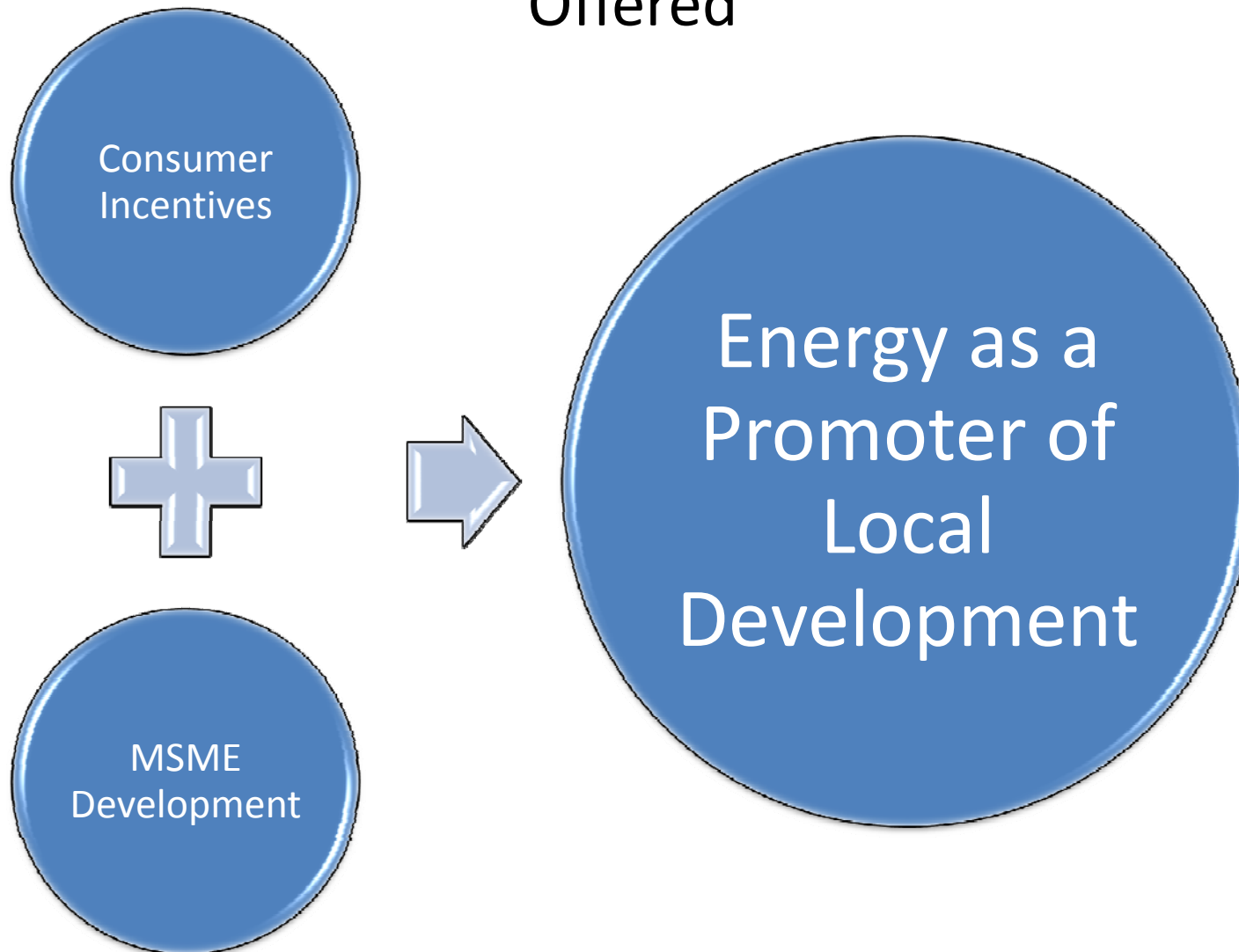
- Broadcast
- Cinema
- Distance education
- Internet
- Navigational aids
- Receiver
- Telephone
- Video

Miscellaneous

- Battery charging
- Brick making
- Carpentry
- Cathodic protection
- Electric fences
- Environmental monitoring
- Fish hatcheries
- Handcraft production
- Power for medical equipment
- Sewing
- Welding
- Wood-working
- Workshop—hand tools



Two Key Areas for where Incentives Exist or can be Offered





Consumer Incentives

- Cost savings (fuel such as kerosene)
- Time savings (collection of firewood)
- Health benefits (reduction of harmful smoke particles)
- Environmental considerations (less soil degradation, predictable weather patterns, etc)
- Productive opportunities (businesses, capacity building or school)

How?

- Awareness raising, specifically addressing social beliefs or cultural practices
- Involvement in reforestation/ social responsibility activities
- Subsidies for investment/ maintenance

What is in it for me?



MSME Development

- Training on energy technologies
 - Technical training on e.g. solar PV; driers; water heaters & cookers; wind powered systems; modern biomass technologies, e.g. Briquette production, sustainable charcoal production; improved cookstoves
 - Identification of business opportunities
- Networking of MSMEs – exchange information
- Mentorship programme
- Profitability, financing, subsidies
- Diversity of energy sources (reliability of electricity for productive uses)



Questions

- How can we ensure that consumer demands do not exceed available capacity? How can we encourage responsible usage of energy once we have highlighted the incentives to connect?
- Can a project influence the creation of new businesses in productive activities as opposed to non-productive activities?