

Success story of IDCOL's Renewable Energy Programme and the Role of Women

S. M. Formanul Islam

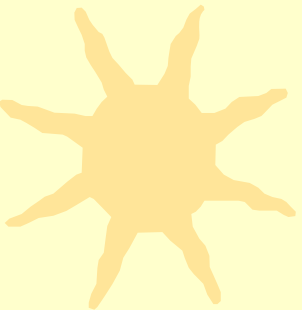
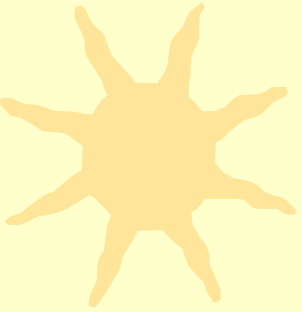
Director, Legal and Company Secretary
Infrastructure Development Company Limited (IDCOL)

19 November 2008





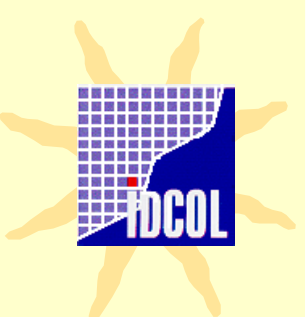
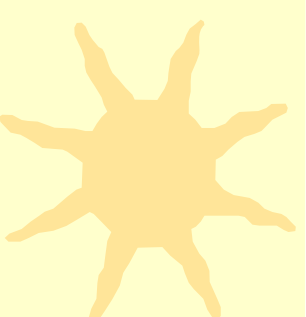
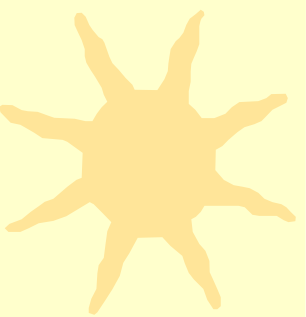
About IDCOL



- ☀️ IDCOL is a financial institution owned by the government of Bangladesh.
- ☀️ IDCOL is mandated to provide long-term financing to
 - ☀️ large and medium infrastructure; and
 - ☀️ Renewable Energy projects.
- ☀️ IDCOL has the objective to promote:
 - ☀️ commercialization of renewable energy technology in Bangladesh
 - ☀️ eco-friendly projects



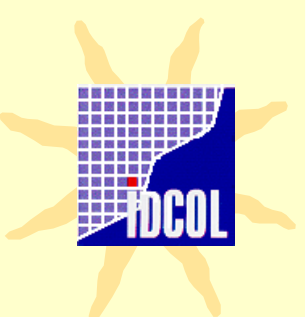
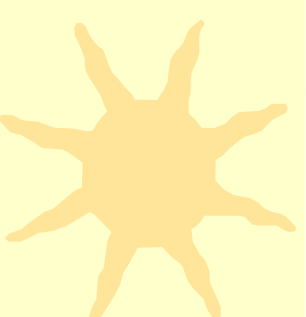
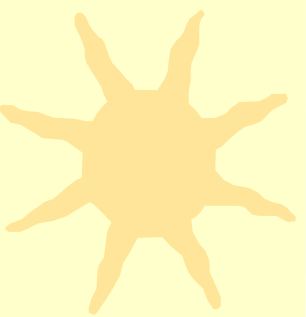
IDCOL Current Renewable Energy Programmes



- ☀ IDCOL Solar Home Systems Programme
- ☀ National Domestic Biogas and Manure Programme
- ☀ Biomass gasification-based Power Plant



Solar Home Systems Programme



How it started

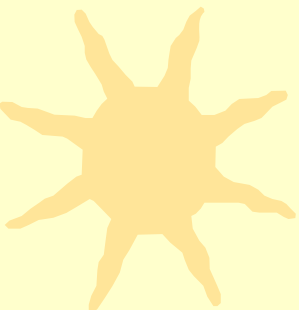
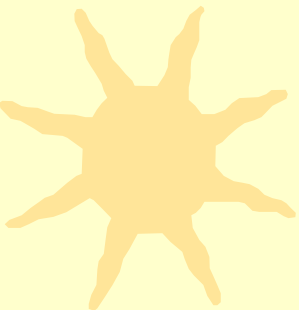
- ❖ With the help of International Development Association (IDA) and Global Environmental Facility (GEF), the Solar Program in Bangladesh started as a key component of the Rural Electrification and Renewable Energy Development Project (REREDP) of The World Bank.
- ❖ The Government of Bangladesh targeted Palli Bidyut Samity (PBSs) and non-government organizations (NGOs) and micro-finance institutions (MFIs) as the implementing agencies
- ❖ Rural Electrification Board (REB) and IDCOL was selected as the coordinating agencies for the execution of the program.



Solar Home Systems Programme

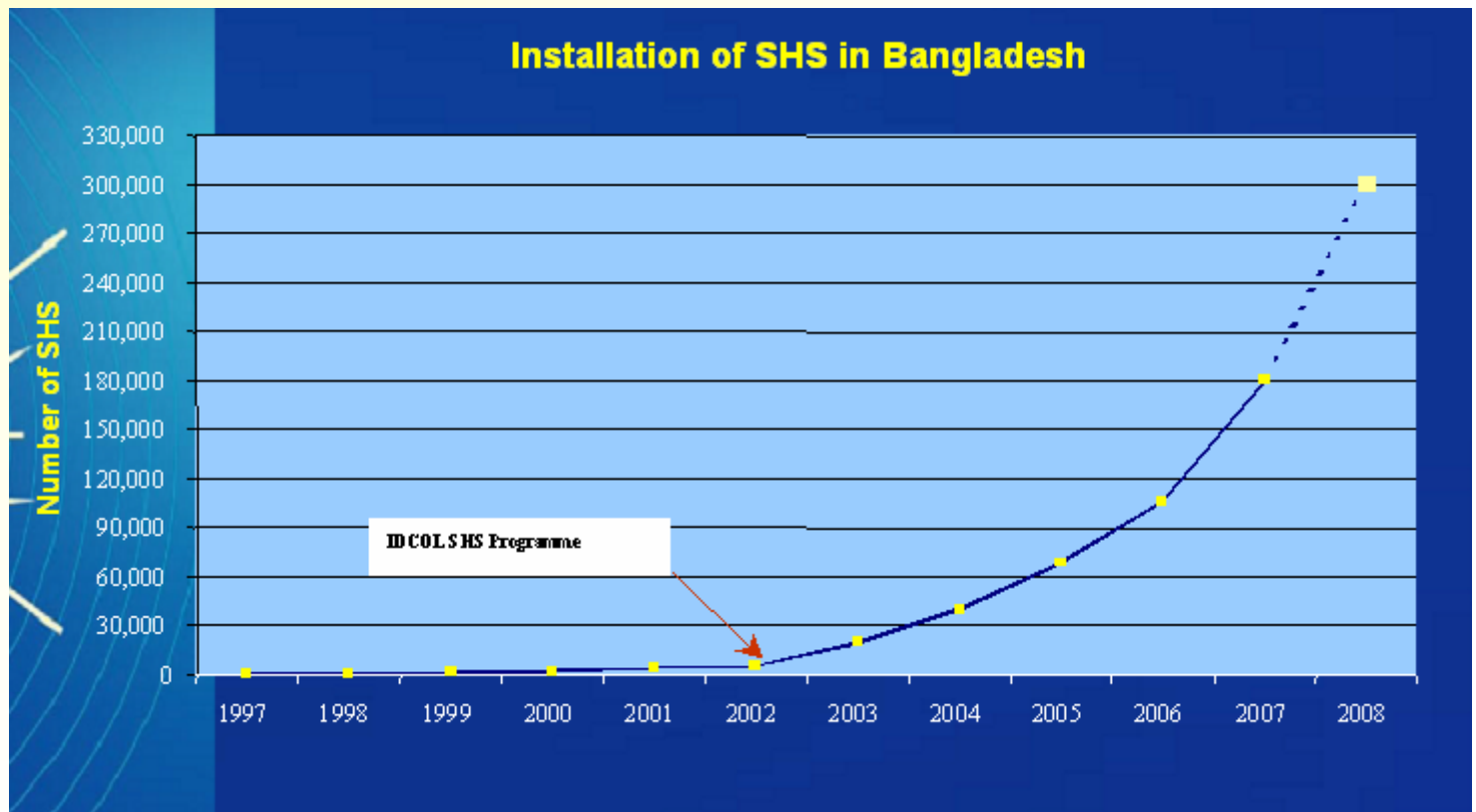
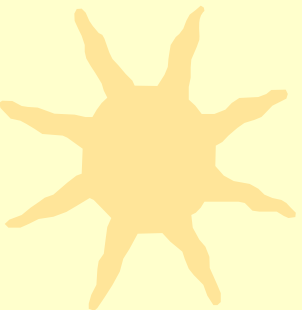
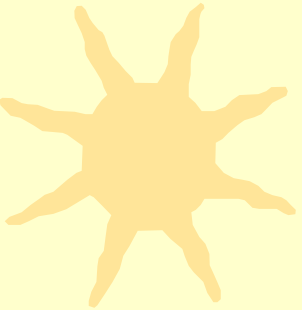
Current status

- ☀ Started in January 2003, IDCOL initially targeted to finance 50,000 SHSs by the end of June 2008.
- ☀ Target was achieved in September 2005, 3 years ahead of schedule and US\$ 2.0 million below estimated project cost.
- ☀ Revised target was to finance 228,000 SHSs by 2009 with additional support from World Bank, KFW and GTZ.
- ☀ By October 2008 a total of 250,000 SHSs have been installed under the programme.
- ☀ Now IDCOL has a target of financing 1 million SHS by 2012.
- ☀ IDCOL's Solar Program is one of the fastest growing renewable energy programs in the world





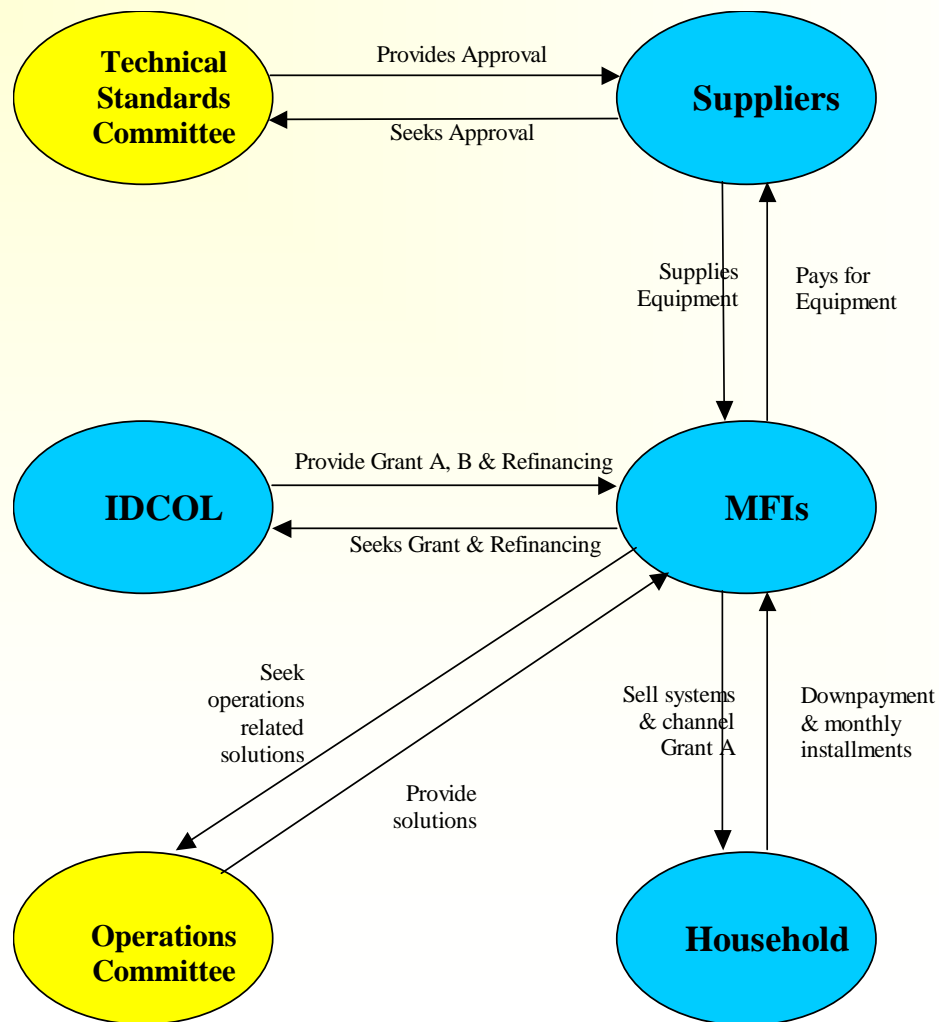
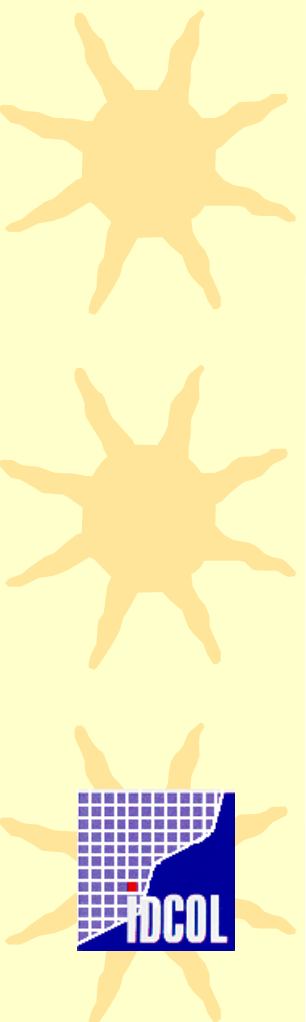
Progress of the Project



Monthly average SHS installation : **6,500 SHSs/month** in average



Project Snapshot





Lending Terms

IDCOL Refinancing: **80% of MFI loan to Household**
Max. Refinancing per system: **US\$ 230 / EUR 176**
Household Down payment: **Minimum 10% of system cost**

IDCOL Loan Terms to MFIs:

Tenor: **10 years**

Grace: **2 years**

Interest rate: **6% calculated on the outstanding balance**

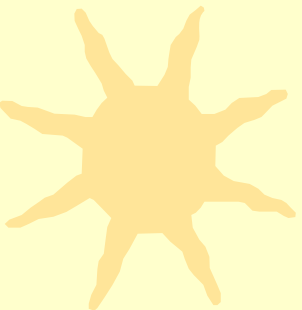
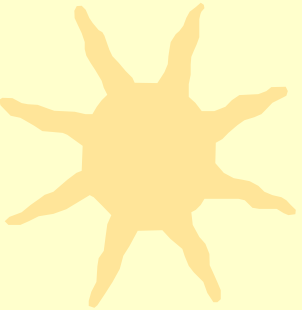
Repayment : **Semi-annual (total 16 equal installment)**



Financing Method

PO's Loan to Households

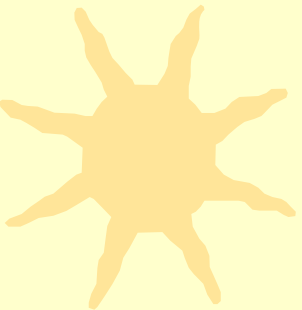
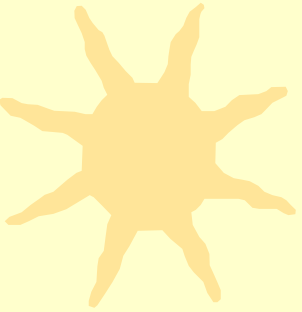
- ✓ Different POs extend credit on different terms and conditions.
- ✓ Loan tenor varies from 1 to 5 years.
- ✓ Interest rate varies:
 - 8% to 15% per annum on declining balance method
 - or
 - 10% to 15% per annum on equal principal payment method





Biomass Power Plant

- ☀ The capacity of Biomass fuelled Power Plant is 250 kW
- ☀ The plant uses locally available agricultural residues i.e. rice husk as fuel for power generation
- ☀ Being located in an un-electrified area, the plant is supplying grid quality power to 300 households and commercial entities of the area of Kapasia, Gazipur
- ☀ The Plant has been developed by a local private entity Dreams Power Ltd.

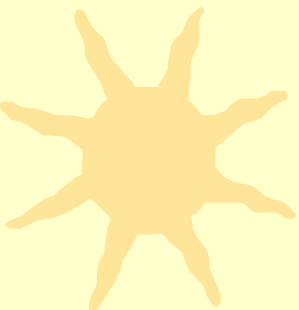
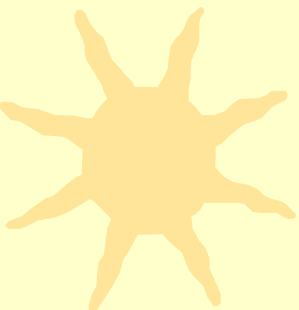




National Domestic Biogas and Manure Program (NDBMP)

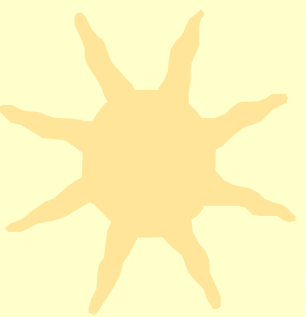
Overview

- ☀ Being implemented with financial assistance from SNV Netherlands Development Organization and KfW
- ☀ Under the project, a total of 60,000 domestic sized biogas plants will be constructed by 2010
- ☀ Beginning in June 2006, IDCOL has awarded construction approval to 6,200 plants up to September 2008 of which 5,000 have been completed





Domestic Biogas Plant



Total Project Cost is estimated as EUR 23.61 million

Interest rate: 6% to LPOs and LCPOs to households

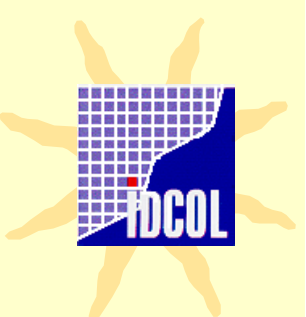
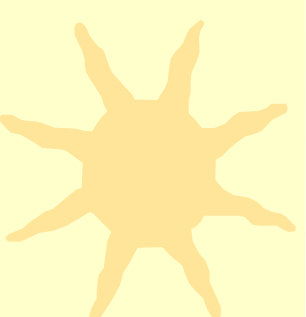
Loan tenure : 7 years

Grace Period : 1 year

Repayment Profile : Quarterly

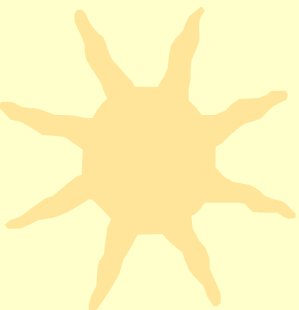
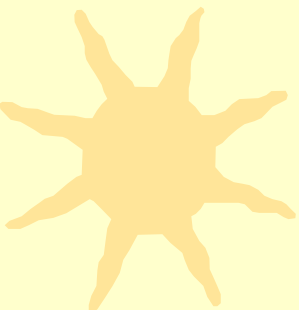
Subsidy: 9,000 Tk/Plant provided by SNV to customer

Credit facility : IDCOL, KfW up to 80% of the LPOs and LCPOs loan to households





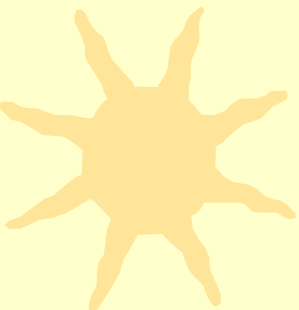
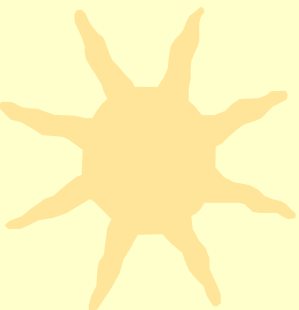
Role of Women in dissemination of RET



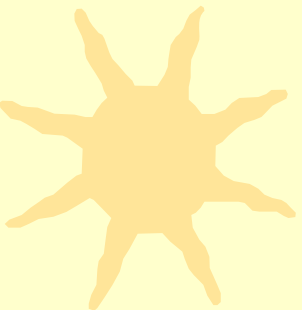
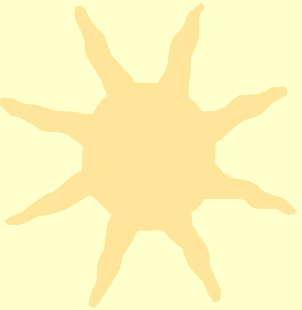
- Women are in the very centre of IDCOL's renewable energy programme, especially, under SHS and Biogas programmes
- IDCOL emphasised the need of improving women health, women empowerment and standard of living through the provision for access to electricity and cooking gas
- With access to electricity women are liberated from the darkness of kupa
- They are getting involved with income generating activities
- They have access to information through TV, Radio etc.
- Their children can study under adequate light
- With additional income, women are being financially empowered
- They are feeling more secured at night



Role of Women in dissemination of RET



- With access to cooking gas women health can be improved preventing their exposure to smoke and dirt
- Women can save the time required to collect fire woods
- The time saved can be used for income generating activities including handicraft making, homestead gardening, cattle, goat and poultry farming
- Saved fire wood can be sold to earn money
- Women can spend more time before studies of their children
- Women can spend some time for entertainment too



THANK YOU