

Developing market systems for pro-poor energy services: Practical Action's experience

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Appropriate **delivery models** for sustainable energy access in the developing world...

How can we analyse existing delivery models and work out how to improve them?

... **delivery models** conceptualised as **market systems**

“Market” systems not exclusively private-sector

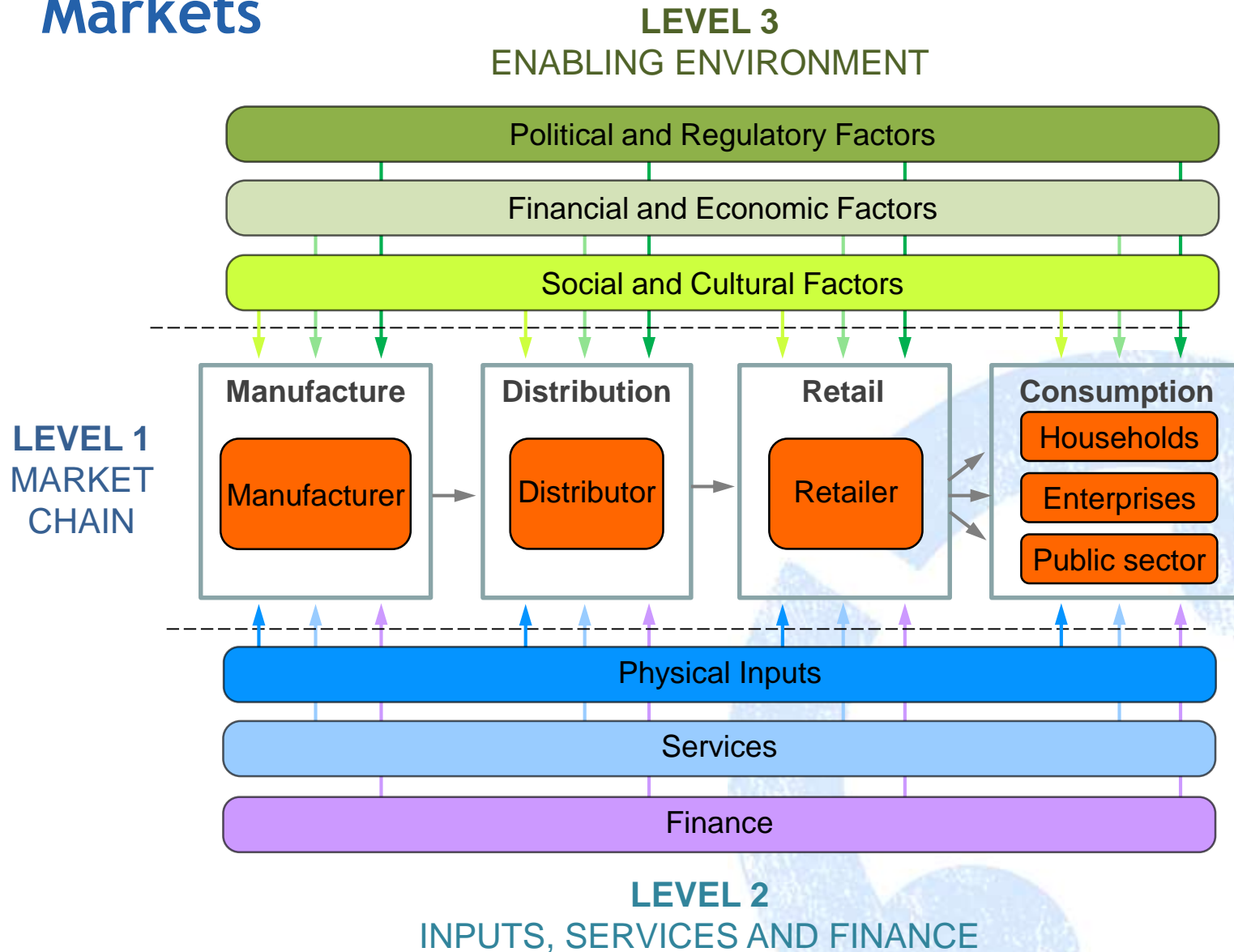
How energy products, services or energy itself reach the end user

Under the right conditions market-based delivery models can be **self-sustaining** and **self-scaling** ...

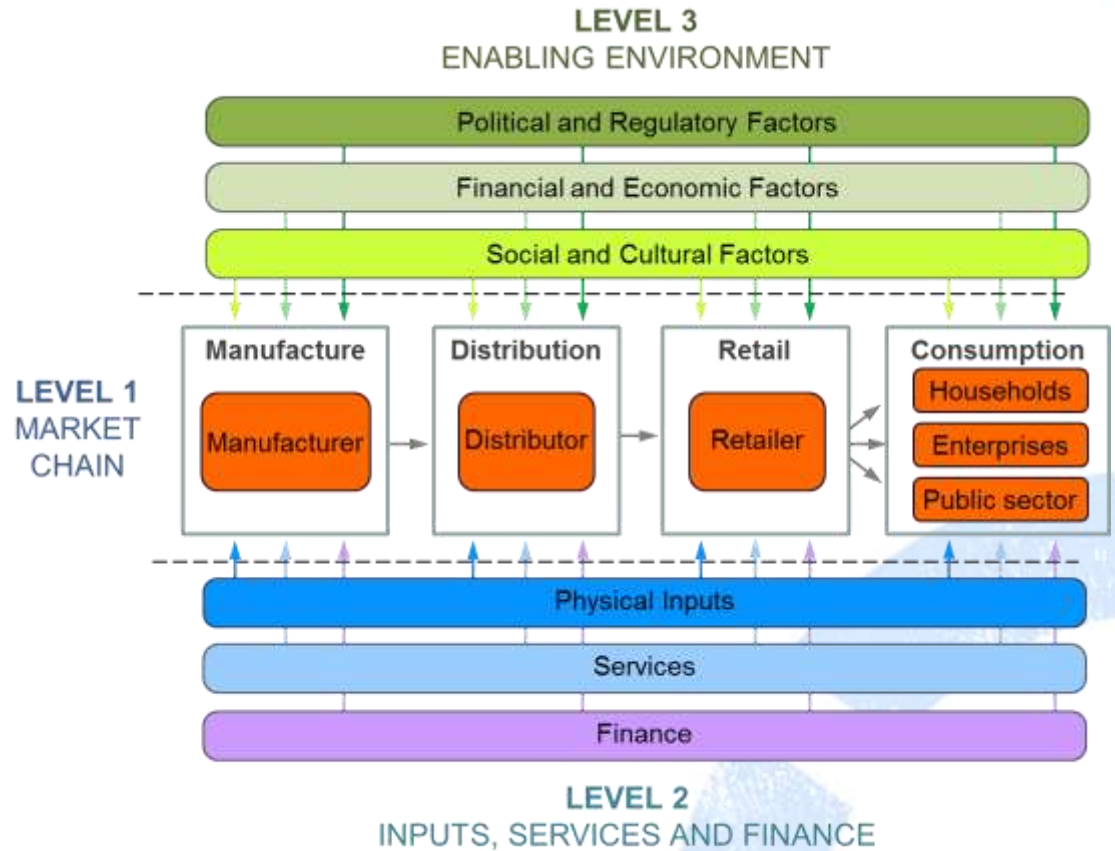
... but all too often markets are crippled by numerous **barriers** that limit their contribution to the delivery of energy access

The Market Map for Energy Access

Markets



Energy Market System Framework



✓ Holistic

✓ Systematic

→ Good analytical tool

Add...
✓ Participatory

→ Potential for energy access impacts

Participatory Market Mapping Workshops



Bring together a mixture of:

- value chain participants
- finance providers
- government and regulators
- technical or training institutes
- industry associations
- NGOs/development agencies
- end users

Aims:

- map the market, locate barriers and analyse overall functionality
- create a common vision for a better market system
- develop viable strategies and actions to overcome barriers, find leverage points
- enable “side deals” between participants

Participatory Market Mapping Workshops

Before the event:

- identify invitees through preliminary market mapping
- persuading more reluctant invitees of benefits
- preparation of practical details



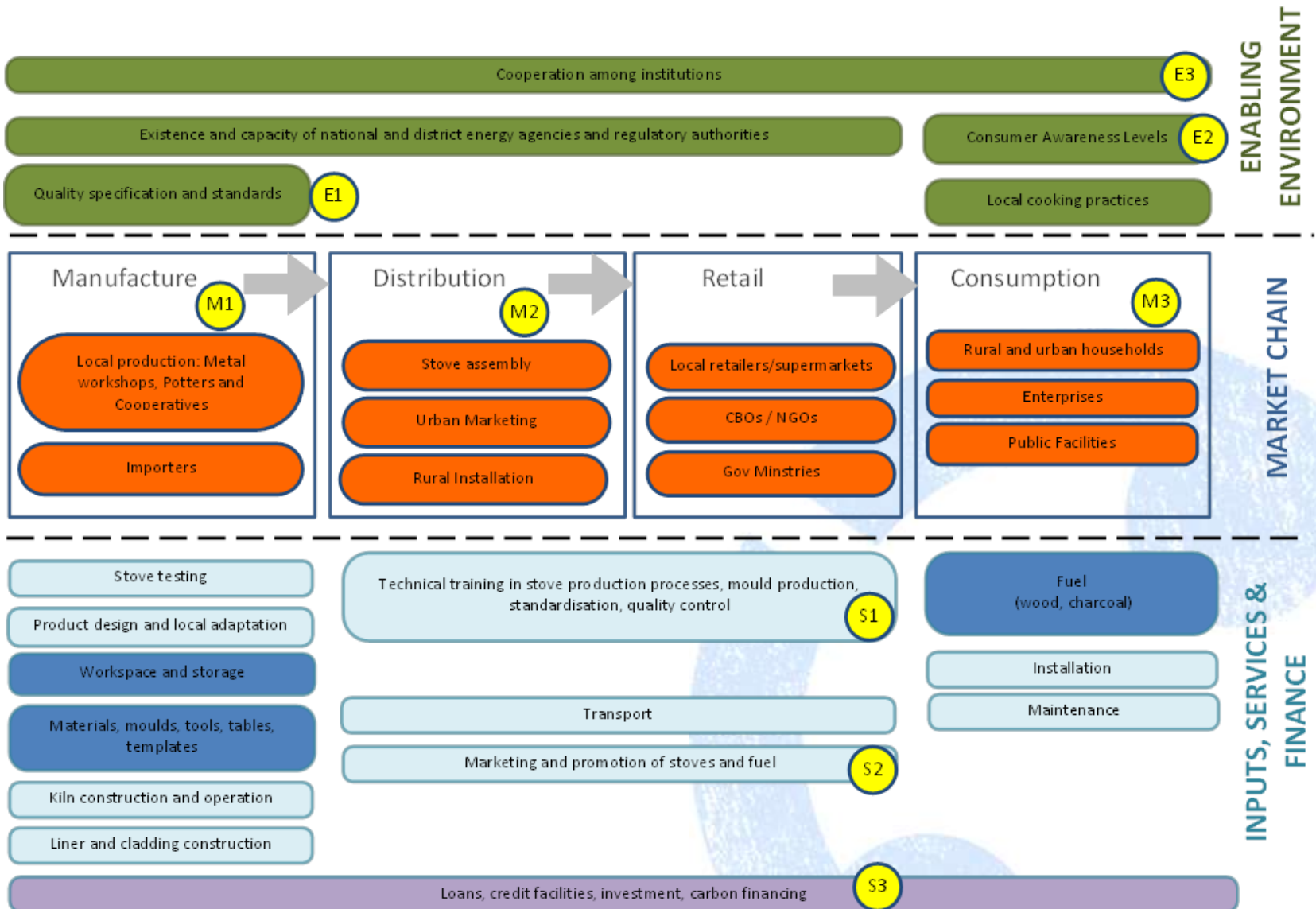
PMMW



After the event, **follow up action**:

- preparing proposals based on commonly-developed Joint Action Plan
- meeting again with participants for validation
- encouragement and support for participants' individual commitments

Rwanda Improved Cookstoves PMMW



Rwanda Improved Cookstoves PMMW

PRACTICAL ACTION
Technology challenging poverty



Some of the barriers identified:

- 1 Poor enforcement of quality specifications and standards
- 2 Consumers: Lack of awareness of ICS
- 3 Manufacturers: poor equipment and technical skills
- 4 Retailers: Poor marketing capacity and ability
- 5 Lack of access to finance for producers and end users

Notable outcome: gradual improvement of co-ordination within sector



Formation of new group: **National Platform for Modern Cooking in Rwanda**

... but other less tangible outcomes are much more difficult to attribute to the workshop or otherwise

Conclusions

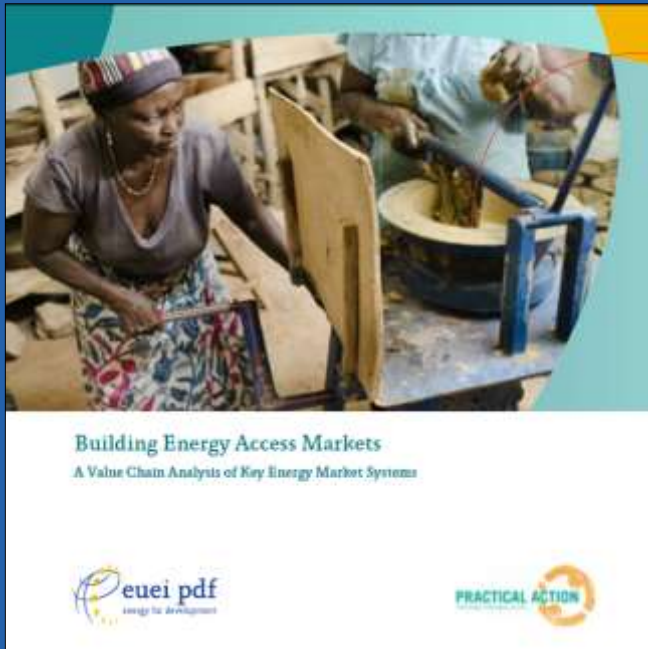
Working with **market systems for energy access** offers the opportunity to refine current delivery models

Framework becomes especially powerful when used as a foundation for a **participatory process** involving market actors and stakeholders

- Discussion and interaction: building trust, knowledge, new alliances
- Joint Action Plan, “owned” by the market participants
- Formation of new bodies to follow through with interventions
- For most outcomes, direct attribution to the PMMW is difficult

Under the right conditions market-based delivery models can be self-sustaining and self-scaling ... so **market development interventions** which secure **buy-in** from those involved are worthwhile

Thank you



The publication introducing the Energy Market Systems Framework and applying it to ten case study market systems is available to download free from EUEIPDF:

<http://euei-pdf.org/thematic-studies/building-energy-access-markets>

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