



REIA2000

Meeting the Challenges of Renewable Energy in the Next Century

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Scaling Up Sustainable Energy Systems

- Key challenges raised during REIA2000...

- ☞ How can we incorporate renewable energy and energy efficiency technologies in our electricity generation and consumption portfolios?
 - How do we stimulate investment targeted at providing energy services for the rural poor population?
 - What is the OAS/IACD doing to overcome the obstacles for rural poor population?

Rural Electrification: The Need

- While the private sector is expected to satisfy the grid-tied electricity infrastructure needs of the LAC, the unelectrified rural poor need our help
- Approximately 14% of population lack basic electricity services -- around 70 million inhabitants
- Rural people are often poor but are not penniless...

Rural Electrification: Some Obstacles

- Rural energy projects tend to be small, generate marginal returns, and are located in remote locations, therefore they do not attract the attention of large commercial businesses or banks
 - When available, small commercial loans to the rural sector are very costly (interest rates >30%)
- Roles for the government, private sector, NGOs, and community organization are unclear

OAS Role To Date

- The OAS is actively engaged in promoting sustainable energy use via the REIA Initiative
 - REIA is providing technical assistance, policy and regulatory support, and capacity building services
- The IACD/FEMCIDI has supported several renewable energy-based rural village electrification projects in Latin America

IACD Experience: San Francisco, Lempira, Honduras

- San Francisco is typical of isolated rural villages in LAC
- The IACD provided solar PV system and (street lights, tv, computers, hot water...)
- Wireless digital communication services transformed San Francisco to solar-net village with Internet, distance education, tele-medicine, and video-conferencing

San Francisco, Lempira, Honduras



School with lighting, computers, internet, VCR, etc.)



Health center with lighting, hot water and refrigeration

OAS - IACD Proposal

- OAS/IACD rural electrification/telecommunication initiative
- Objectives
 - Link sustainable rural electrification and telecommunications by developing projects throughout Central America
 - Support technical assistance to overcome key obstacles, namely on the institutional and human levels, to the widespread development of projects in rural electrification and telecommunications

Rural electrification and telecommunications strategy

- Identify and implement high value applications of energy systems coupled with remote telecommunications services --
Create Multipurpose Community Telecenters
 - Electricity generation and storage systems (solar energy)
 - Village voice communication systems
 - Computers with Internet
 - Distance education and tele-medicine

Rural electrification and telecommunications strategy, cont.

- Identify partners (MDBs, Commercial Banks, Foundations, Energy partners, Telecommunications partners)
- Work with host governments to identify the institutional gaps and to secure their financial commitments for the rural energy and telecommunications projects

Rural electrification and telecommunications strategy, cont.

- Help establish the linkages between public, private, and not-for-profit organizations to create sustainable /replicable projects
- Identify specific energy and telecommunications needs of OAS member countries and create new financial instruments
- The new approach will be based on:
 - Broader, more expedited application of “best practices”
 - Pre-qualification of suppliers and pricing structures
 - Opening of new sources of private sector finance
- A specific Rural Electrification and Telecommunications Loan Fund will be established