

Key Takeaways

Webinar #1: Transforming energy markets with RBF – hype or hope?



Photo credit: SNV

Background

In the framework of the RBF webinar series 2020, Energising Development (EnDev) shares lessons learnt from piloting results-based financing (RBF) approaches to enhance energy access markets with funding provided by UK Aid. EnDev's RBF Facility (RBFF) comprises 17 projects across 14 countries in Africa, Asia and Latin America covering a wide range of modern energy technologies and RBF designs. So far, EnDev's RBFF reached 5.8 million people with improved access to energy.

This 1st Webinar

18 June 2020 (10:00h CET/MEZ)

[The first webinar](#) of the series discussed the potential of RBF projects to transform energy access markets and under which circumstances market transformation effects are strongest. To set the scene, UK Aid introduced the rationale behind the Results-based financing Facility for funding this large-scale pilot and Energising Development (EnDev) provided an overview of global RBFF implementation. Subsequently, an external view on the RBFF was given by the evaluators who shared general insights obtained in a "Market Transformation Survey". Shifting perspective from global to country level, two RBF practitioners were invited to share their implementation experiences from the biogas sector in Vietnam and the Solar Pico PV market in Benin. The session was concluded by EnDev with remarks on RBF's potential to complement traditional approaches of technical assistance and limitations to transform energy markets when applied as a standalone tool.

The discussion evolved around the question, whether large international companies with pre-existing access to working capital financing are more likely to benefit from RBF schemes. In relation to that, participants were interested in the adverse impacts of RBF on local markets. Respondents stressed that RBF schemes were open to all companies, but the determining factor is the company's capacity to deliver on sales numbers and absorb incentive payments. Others highlighted that RBF is particularly beneficial for companies with a visionary and entrepreneurial mindset. Essentially, it was concluded that RBF projects are subject to regular market forces where local firms struggle to compete when large international players come in, unless they enter niche sectors.

Key Takeaways

Agenda items and speakers

Philip Mann – DFID
RBFF – donor (UK Aid) perspective

Key takeaways

Introductory words on the origins and key objectives of the RBFF

<p>Barbara Richard – Energising Development (EnDev/GIZ) RBFF – global implementers' perspective</p>	<ul style="list-style-type: none"> intentional diversity in portfolio to maximize learning effects in this large-scale implementation pilot no one-size-fits all solution; using RBF as a tool to transform markets needs patience and a longer-term perspective valuable and flexible approach, which complements TA toolbox within development cooperation
<p>Geert Engelsman – Particip GmbH Preliminary results from Market Transformation Survey</p>	<ul style="list-style-type: none"> the survey suggests that RBFF contributed to business and market expansion (irrespective of technology and incentive type), however, market growth not yet self-perpetuating, because: <ul style="list-style-type: none"> growth depends on a complex interplay of demand, supply and framework conditions (which the RBFF only partly influences) RBFF may not have invoked learning, economies of scale and capital investments and concomitant efficiency gains in production RBF is an effective, but not sufficient instrument for market growth and commercially sustainable markets
<p>Bastiaan Teune – SNV Vietnam From subsidy-dependency towards a market-driven biogas sector</p>	<p>Opportunities</p> <ul style="list-style-type: none"> RBF is feasible, efficient and effective RBF optimized market forces RBF regulated quality of biogas installations survey indicates technical demand for biodigesters by >1 million Vietnamese small holders <p>Challenges</p> <ul style="list-style-type: none"> market self-propelling yet dependent on modest Official Development Aid (ODA) in short- to mid-term
<p>Razvan Sandru – EnDev Benin (GIZ) Solar PicoPV market development</p>	<ul style="list-style-type: none"> RBF an efficient approach in transferring the risk to the private sector RBF design – keep it simple companies in driver's seat with full decision power over use of received RBF incentives RBF verification creates a wealth of data about demand and supply (improved market intelligence)

Have we sparked your interest? Our next webinar features:

- Reaching the bottom of the pyramid with RBF – wishful thinking or reality? | July 2020**
Speakers (tbc): EnDev, RBFF project examples from Rwanda, Tanzania, and Malawi

More information on the RBFF webinar series 2020 and the final closing event [here](#).

Funded by



Ministry of Foreign Affairs of the Netherlands



Implemented by

