

Technical Conference – Breakout Session Report Out

TOPIC: Subsidy Delivery

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Topic: Subsidy Delivery

- Top 3 most urgent/important issues to resolve:
 - How to create level playing field for the private sector?
 - How to have sustainability of subsidy?

Solutions – Issue #1

Issue:[How to create a level playing field for private sector?]

Solution

- What can government do?
 - Learn from experiences from other countries where private has been able to operate.
- What can private sector (developers/financiers) do?
 - Nothing
- What can donors do?
 - Assist the governments with funds and workable options

Solutions – Issue #2

Challenge: Sustainability of subsidy availability

Solution A: Remains a challenge

- What can government do?
 - Develop plans to takeover when donor monies runs out
 - Promote productive uses
- What can private sector (developers/financiers) do?
 - Look for ways to reduce cost
- What can donors do?
 - Help in smooth transition

Other Key Observations

- Connection fee for the poor households should be subsidized
- What tier of services should be provided and fee to be charged on based on tier (services)
- Should recognize that the mini-grids are least cost or timely, but not cheap.
- Trade-off between UNT and number of people who will connected
- Recognize that the politics is a key challenge in setting tariffs for mini-grids operated by private sector