



IDCOL Solar Energy Program

Infrastructure Development Company Limited
(IDCOL)

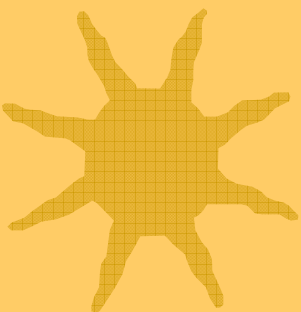
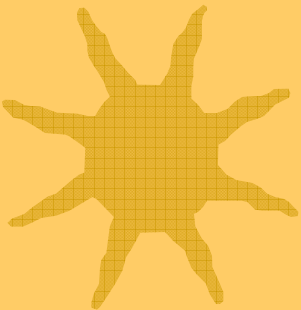
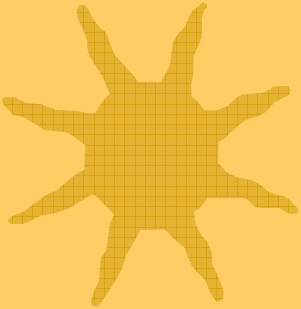


11 March 2010



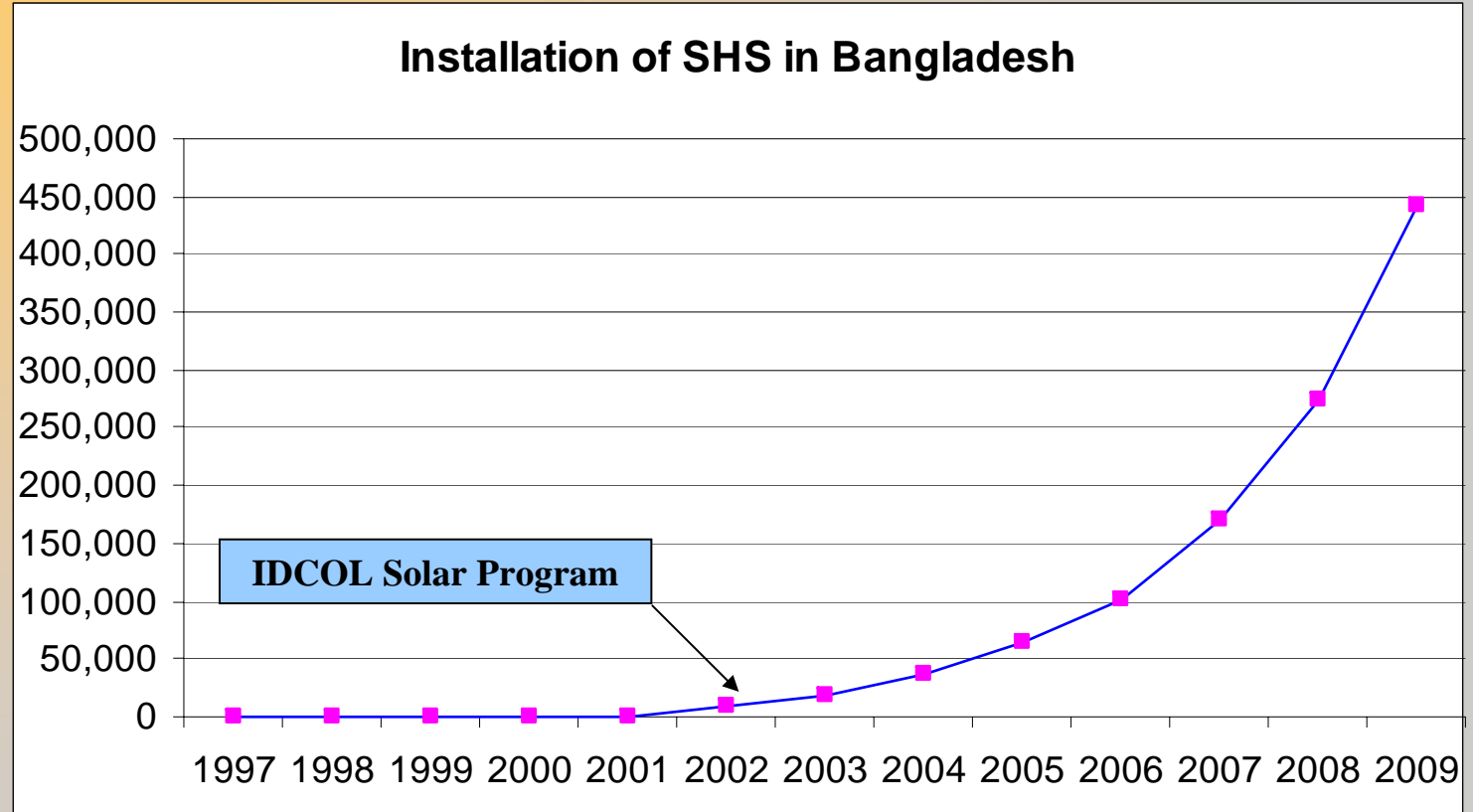
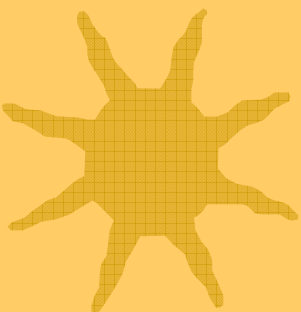
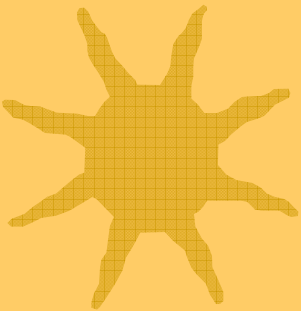
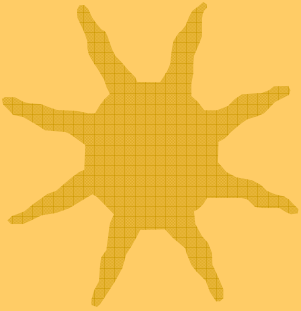
IDCOL Solar Energy Program

- ★ IDCOL started its solar energy program in January 2003 with the support from IDA and GEF.
- ★ Initial installation target was 50,000 solar home systems (SHS) in off-grid areas within five and half years.
- ★ Target was achieved in August 2005, 3 years ahead of completion date and US\$ 2 m below the estimated cost.
- ★ Following the success, IDA, GTZ, KfW, ADB and IDB have extended support.
- ★ IDCOL has revised its target to 1 million SHS by 2012.
- ★ SHS Installation up to January 2010 is 454,000 (21 MW)





SHS Installation Status in Bangladesh





Financial Support from IDCOL

- ★ **Grant:** IDCOL's objective is the commercialization of SHS
 - Phased reduction of grants

Item	Amount of Grant Available per SHS		
	Total	Buy-down grant	Institutional Development Grant
First 20,000 SHS	\$90	\$70	\$20
Next 20,000 SHS	\$70	\$55	\$15
Next 35,000 SHS	\$50	\$40	\$10
Next 88,160 SHS	€38	€30	€8
Next 35,000 SHS	€36	€30	€6
Next 235,000 SHS	€34	€30	€4
Next 100,000 SHS	€28	€25	€3
Next 72,000 SHS	€22	€20	€2

- ★ **Refinancing:**
 - 7-10 years loan including 1-2 years grace period
 - 6% to 8% interest rate



A Collaborative Effort

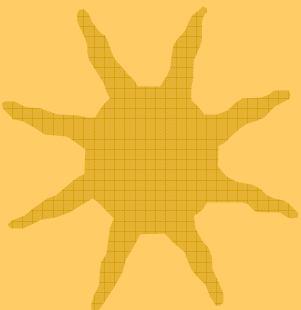
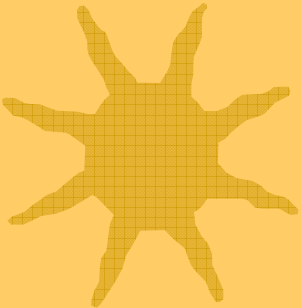
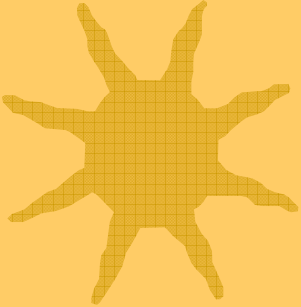
★ A collaborative effort of six partners:

- Government of Bangladesh
- IDCOL
- Donor Agencies:
 - World Bank (IDA)
 - Global Environment Facility (GEF)
 - KfW (German Development Cooperation)
 - GTZ (German Technical Cooperation)
 - Asian Development Bank
 - Islamic Development Bank
- Partner Organizations
- Manufacturer/supplier
- Professionals



Role of the Partners

- ★ Government:
 - sources necessary fund for the program
 - creates incentives (waiver of duties, tax benefit etc.)
- ★ IDCOL:
 - provides grants to POs to reduce SHS cost and capacity building
 - soft loan to POs
 - technical assistance (training, logistic and promotional supports)
 - monitors implementation of the program
- ★ Donor Agencies:
 - provide grant and soft loans through IDCOL
 - technical assistance to the program
- ★ Partner Organizations:
 - select areas and customers and install SHS
 - extend micro-credit to customers
 - provide after sales services
- ★ Manufacturers/suppliers: sell SHS or its components to POs
- ★ Professionals: technical specification and impact assessment





Committees and their Responsibilities

★ PO Selection Committee:

- Consists of the representatives from IDCOL and relevant government ministry & organizations.
- Selects POs to implement the program on the basis of micro-finance experience and financial strength

★ Technical Standards Committee:

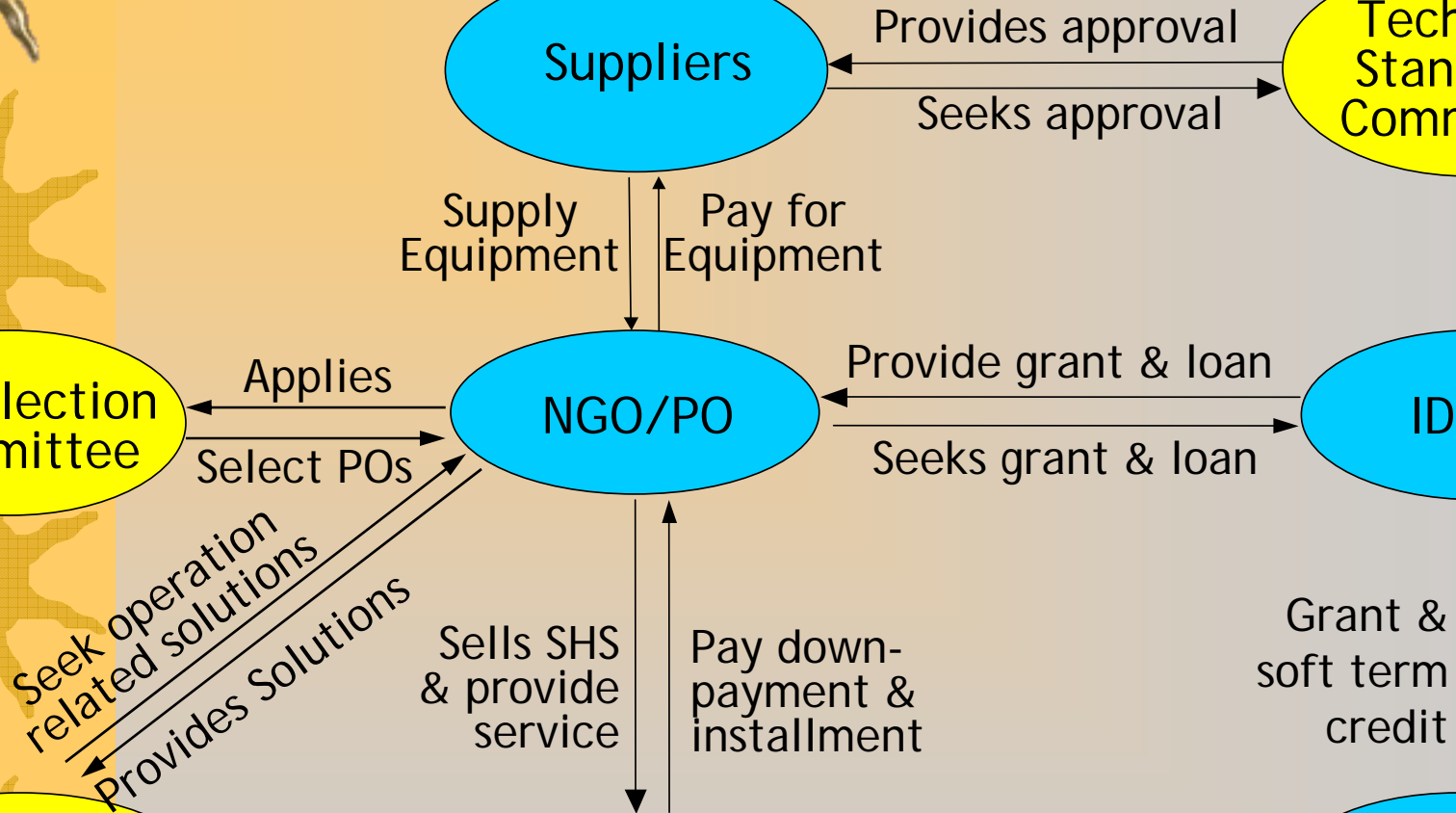
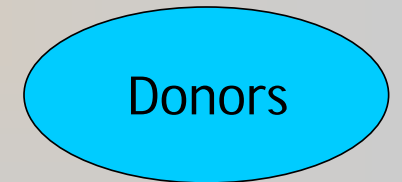
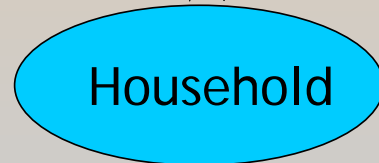
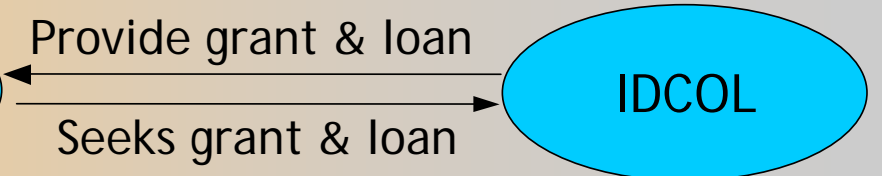
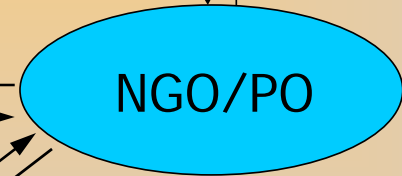
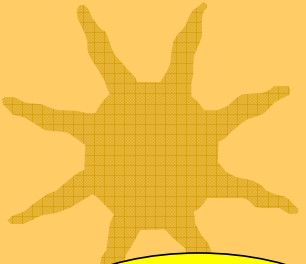
- Consists of technical experts from university, some engineering departments of govt. and IDCOL
- determines technical standards, reviews product credentials of dealers, and approves the eligible equipment

★ Operations Committee:

- Consists of program-in-charges from all POs and representatives from IDCOL
- looks after the operational aspects of the program



Snapshot of Operation





Sample Calculation for a 50 Wp SHS

Amount in US Dollar

(a) Solar Home System Cost	440
(b) Buy-down Grant from IDCOL	40
(c) Remaining Cost (b-a)	400
(d) Household Down payment [15% of (c)]	60
(e) Remaining Cost (c-d) [credit to customers]	340
(f) Loan from IDCOL to PO [80% of (e)]	272
(g) Contribution of PO as loan to customer (e-f)	68



Fund Flow and Repayment

