



What's the idea?

Many households in Cambodia are not yet connected to the national electricity grid and instead use car batteries charged at diesel-powered charging stations to satisfy their energy needs. The costs can be three or four times more than what they would pay for grid electricity – up to \$1 per Kwh – a major drain on limited family incomes.

Affordable small solar home systems represent an excellent opportunity to bring modern energy services to those presently lacking it. While the technology has been available for years, recent advances have delivered dramatic reductions in the cost of solar power technologies, making them a viable solution for many households.

The budding household solar energy industry in Cambodia has all the necessary components of a sound sector ecosystem, but there are challenges that need to be addressed to ensure rural households' uptake of solar home systems.

Our objective

Our project aims to broaden access to energy for 25,000 households in off-grid locations in rural Cambodia by enabling a sound supply of quality solar products and microcredit; and by triggering demand from households.

Our approach

As coordinator for the Solar Microfinance Programme, SNV works with all programme stakeholders to ensure smooth collaboration, and manages the accreditation and verification process for solar products and suppliers.

To lower the initial investment barrier for rural households, the Solar Microfinance Programme collaborates with three leading Cambodian Microfinance Institutions (MFIs) which develop Cambodia's first dedicated solar microcredit offer for their customers.

To ensure that rural households will be happy with their solar home system for many years to come, our programme only works with selected solar supply businesses accredited by our programme. These suppliers commit to promoting only high quality products and to providing customer care services. This builds trust in the market, and the accreditation label becomes a recognised symbol for quality.

Building a nation-wide network of solar installers and technicians close to where their customers live is neither easy nor cheap. And making sure that everyone in the remotest corner of the country knows about the availability of solar solutions takes an effort in awareness raising and education.

To support local private solar businesses in making this investment, the programme therefore offers a post-financing incentive for each system they install. The sales incentive can only be claimed after the sales of approved solar products have been verified.

Results-Based Financing (RBF) like this is an innovative way to support sustainable market development. It allows the private sector flexibility in choosing the most appropriate business and distribution models, and the incentives can be re-invested to further grow the business.

By working closely with the Solar Energy Association of Cambodia (SEAC), SNV ensures that a similar solar quality initiative can be continued in the future. SNV's partners provide a range of training, awareness raising, and business development services to solar suppliers and the participating MFIs alike.

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For more information

To learn more about SNV and our work in Cambodia, visit our website at www.snvworld.org/en/cambodia

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About SNV worldwide

SNV is a not-for-profit international development organisation. Founded in the Netherlands nearly 50 years ago, we have built a long-term, local presence in 38 of the poorest countries in Asia, Africa and Latin America. Our global team of local and international advisors work with local partners to equip communities, businesses and organisations with the tools, knowledge and connections they need to increase their incomes and gain access to basic services – empowering them to break the cycle of poverty and guide their own development.