

FAIRTRADE INCLUSIVE ENERGY FUND ROUND 1 RECAP



Project partners



Donor



KEY ISSUES

"Sub-Saharan Africa has the lowest energy access rates in the world. Electricity reaches only about half of its people, while clean cooking only one-third; roughly 600 million people lack electricity and 890 million cook with traditional fuels." (IEA, 2018).

PROJECT OBJECTIVE

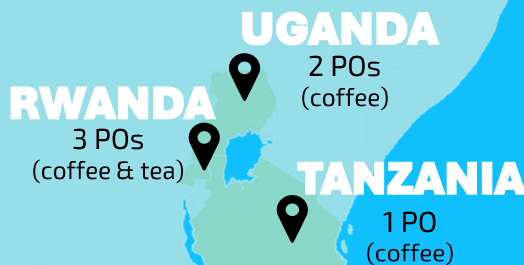
Fairtrade supports producers and workers to transition their farming systems to climate-resilient models. The Inclusive Energy Fund is part of this support, and helps grow the availability and use of off-grid energy technologies in Fairtrade communities.

Increased energy consumption can improve productivity, generate sustainable livelihoods and entrepreneurship, and promote climate resilience.

PROJECT BACKGROUND

Fairtrade's IEF is a challenge fund that supports Fairtrade small-scale producer organisations (POs) to design, launch, and manage projects that accelerate and expand inclusive energy access for their members.

POs are supported at all stages to design and deliver tailored, feasible, and impactful solutions that are mapped to the needs, constraints and opportunities of every project context and community.



IEF: PROJECT SCOPE

Geographies

The IEF first round focused on Fairtrade certified producer organisations in Rwanda, Tanzania and Uganda

Targeted Groups

19,600 tea and coffee farmers from 6 Producer Organisations

Project Duration

December 2022 – June 2024 (2 years and 6 months)

Commodities



Tea



Coffee

OUR APPROACH



Knowledge and availability of clean energy technologies



Access to affordable finance

Increased uptake of clean and green energy



THEORY OF CHANGE

Support:

Technical

Financial

Access to:

Energy

Education

Finance

Projects launch



GOAL

Higher energy inclusion and resilience in FT communities



IEF ROUND 1 RECAP: DIVERSE PO-LED PROJECTS



INTERVENTION SCOPE

INCLUSIVE ENERGY FUND (IEF)

GRANTS



Cooperative Strengthening



Access to Markets



New Service Development

LOANS



Fairtrade Members Loan



Procurement Support Loan

IEF FIRST ROUND: PROJECT RESULTS

Eight eligible tea and coffee POs were selected from Uganda, Tanzania and Rwanda to apply to the IEF first funding round (IEF 1.0). IEF 1.0 was available to a total of 90,000 Fairtrade farmers and workers with a financial support budget of €350,000. Six SPOs and HLOs were awarded IEF support through a competitive application process – with projects delivered over 18 months (January 2023 – June 2024).

Abahuzamugambi ba kawa, Maraba, Rwanda

Purchased a parabolic solar dryer to improve bean quality and grow market access.

- 1,568 members received education and training on clean and green energy
- 32 members were trained as technicians, offering solar installation and repair to farming households.

Sorwathe, Kinyihira, Rwanda

Established a permanent, independent technical centre operated and owned by youth trained through the IEF

- 44 solar systems were purchased by members, as a result of accessing financial services.
- 2,307 members received education on clean and green energy.
- 5 youths received training on technical services for clean and green energy, and were able to provide technical support to 46 households, either installing a solar system or changing a battery.

Hillside Organic Tea (HOT), Kinyihira, Rwanda

Piloted a 'pay with coffee' check-off loan repayment system.

- 27 members accessed the loan repayment system, so were able to access clean and green energy products for domestic use
- 1,976 of HOT's members received training and education about clean and green energy by attending workshops.
- 5 youth were trained as solar technicians.

Bukhaturwe Community Development Initiative (BCDI), Mbale, Uganda

Established a member-owned bakery using lava rock thermal oven and sourcing locally produced ingredients.

- 12 households were able to purchase solar lighting systems as a result of receiving financial services through the PO.
- 744 people attended awareness meetings, including 705 women.
- 423 members indicated an awareness of clean energy products
- 28 members were trained to run the bakery.

Kasaali, Masaka, Uganda

Focused on funding setup of viable solar technology businesses.

- 46 solar lighting systems were purchased, with 134 households having successful loan applications.
- A total of 75 members received financial services through the producer organization for clean and green energy products.
- 10 youth have been trained in the installation and repair of solar equipment.

Kagera Co-operative Union (KCU), Bukoba, Tanzania

Established a SACCO micro-finance facility to cover full 60,000 membership base.

- 2,762 members received education on clean and green energy.
- 11 youth were trained on solar system installation, maintenance and repair, including 1 woman.
- A SACCO has been established but is not yet operational.
- 43 members who have purchased and installed solar systems by using their own source of funds after acquiring knowledge.



INCLUSIVE ENERGY FUND (IEF) ROUND 2



Project Partners



BUILDING ON LEARNINGS

The IEF First Round (IEF 1.0) acted as a pilot phase to test ideas and develop delivery processes and infrastructure. The learnings from IEF 1.0 have provided a roadmap for scaling and replication to create a more inclusive and sustainable energy future for Fairtrade POs and their members.

IEF 2.0 will retain its focus on supporting Fairtrade certified organisations to design and launch projects that accelerate and expand access to clean and green energy across their membership bases and communities. The programme will operate in Kenya (Central), Uganda (Southern and Western), and Rwanda (Southern and Northern). The programme is open to all fairtrade-certified HLOs and SPOs that meet the inclusion criteria.

Project technical and financial support will be awarded to eligible SPO and HLO applicants on a competitive basis, resulting in a diverse portfolio of SPO/HLO-designed projects, directly aligned to IEF objectives and tightly tailored to each intervention context.



PROJECT DESIGN

Area

The project will target Fairtrade certified producer organisations in Rwanda, Kenya and Uganda

Product Focus



Tea



Coffee



Tailored approaches to SPO-led Project Design:

PO-led design improves accuracy and fit of projects.

This also helps to build a diverse project portfolio, without the need to be prescriptive. Conducting needs assessments and integrating community feedback helps to design products that meet local needs.



Capacity Development:

Training and skills development for PO staff, members and the community are key drivers of local ownership, entrepreneurship, and sustainability.

For example, training members to provide installation, maintenance and repair services ensures continuity of new enterprises.



Partnerships and Collaboration:

Engaging with a diverse range of stakeholders, including suppliers, was instrumental in project success and sustainability in IEF Round 1.

At the end of the first round, 100% of PO leaders reported that they now found it easier to interact with energy service providers and financial service providers.



Financial Accessibility:

The introduction of new financing mechanisms played a pivotal role in IEF Round 1 projects.

New loan products and services help to ensure clean energy technologies are affordable, and this increases uptake.

148 of 383 households adopting clean energy in Round 1 took out IEF loans to purchase their solar products.



Holistic Integration:

Integrating clean energy solutions (e.g. solar irrigation) into livelihood activities increases impacts on community well-being and resilience.

Integrating project initiatives (e.g. loan facilities; service hubs) into core PO operations helps establish long-term demand and sustainability and can unlock additional investment and growth opportunities.