



CSC Empowerment &  
Inclusion Programme

## Solar Energy Loans

### 1. Implementing entity and key partners

- Established in 1989, Community Support Concern (CSC) is an organization striving for social inclusion and socio-economic development of marginalized communities focusing on women, youth and low income groups. With the changing needs of the sector, to enhance financial inclusion agenda, “CSC Empowerment and Inclusion Program” (CEIP) took over the microfinance portfolio (EDP) and Prime Minister’s Interest Free Loan projects of CSC with effect from June, 2015. The company is registered under the Section 42 of the Companies Ordinance 1984, as a separate ‘Not-for-Profit’ entity.

### 2. Problem/challenge

- The widening gap between demand and supply of electricity in Pakistan has soared to over 5,000MW, as calculated in April, 2017. With a total production of only 13,000 MW, Pakistan’s energy demand of over 18,000 MW has starved the economy, resulting in 2% points in GDP growth every year since early 2000s.
- Alternatives, such as generators and UPSs, which are available to bridge this gap, are only implementable at individual level, and are priced beyond the reach of small holders. Not only do these alternatives pose high initial costs, they also require continual operational and maintenance expenses, rendering a secondary source of electricity impractical for the lower-income segment of Pakistani society.
- With rural and semi-urban areas being shoved into the dark, the currently available alternative for them is to utilise kerosene lamps, at high social and environmental costs that pose hazards due to their extreme flammability and carbon emissions. The World Bank estimates that 780 million women and children breathe particulate laden kerosene fumes globally, resulting in two-thirds of these adult females developing lung cancer.
- While the government plans on adding over 11,000 MW to the national grid in order to fuel economic growth, high returns on these foreign-funded energy projects, backed with sovereign guarantees, are forecasted to push the price of electricity by over 50% for domestic consumers, making their future primary source as expensive as the existing alternatives.
- Although the microenterprises require minimal electricity for lighting and ventilation purposes, their basic energy need is being ignored in favour of subsidizing larger industrial setups, further tightening the belt on small holders.
- Impacting small businesses with existing power cuts and future escalation of electricity prices, the energy situation in Pakistan is set to lower down the productivity of rural and semi-urban dwellers, leading to further deterioration of their livelihood.

### **3. Project summary**

#### **3.1. Overall objective:**

- Pakistan has tremendous potential to meet its power demand needs from renewable energy sources, particularly through Solar Home Solutions (SHS). Thus, we aim to provide a solution to combat the dire energy crisis that is safe, affordable, and environmentally friendly to our poor and deprived clients. We mean to do this by providing cost-effective, and durable solar lights, and compact solar systems to our clients on easy-to-pay loan instalments.

#### **3.2. Key target beneficiary population/impact**

- CEIP has partnered with Allied Solar D Light & International Finance Corporation to begin a new clean energy program, the Memorandum of Understanding for which was signed in May, 2017. The pilot phase is to be concluded by the end of Dec, 2018, after which the product will be extended to other branches.
- A pilot phase, stretching over 3 months, is focusing on two poor communities of Green Town and Renala, in Lahore, where CEIP maintains extensive operational outreach.
- Analysing the outcomes from pilot phase, the solar product will be introduced in other cities, including D.G. Khan and Khanewal, where faced by harsh weather and long power cuts, inhabitants have displayed high appetite for availing the product.
- Our organization is already present in the proposed areas and is successfully running social projects for our international donor. We will be targeting many of our current clients as we have conducted a survey amongst them and a high percentage of beneficiaries have expressed the need for an affordable and safe solution to the load shedding.
- With most clients being females, interest in availing the solar product for facilitation and timely completion of home chores has been expressed continually.
- Similarly, many female clients have suggested that their children's ability to study after dusk is of primary interest to them.
- The solar products have been designed to cater to these basic needs of our clients and beneficiaries. Priced reasonably with the market average incomes and expenses in mind, these solar lights and compact solar system with features such as fans and mobile charging, are of great utility to microentrepreneurs and their family.

#### **3.3. Main activities**

- Lending out a diverse range of solar products on loan instalments including solar lights, solar fans, and compact solar systems. The variety of products enables catering to clients with varying affordability, through a wide price range that extends from PKR 760 to 30,000.
- Organizing workshops and training sessions for our employees and credit-officers, which will provide our clients with after-sale services.
- Establish maintenance facilities for clients to contact staff for resolution of complaints regarding the products or services provided.
- Promoting the use of alternative energy, especially these products, through awareness campaigns and seminars for general public. These forums would discuss the harmful consequences of using non-renewable energy resources to individuals, families, and the environment, and the benefits of switching to solar-energy products that reduce economic, social, and environmental costs.

#### **3.4. Expected outcomes**

- Key learnings from the pilot phase in Green Town and Renala, leading to improved implementation in other districts of CEIP's operations.

- Promotion of digital connectivity through the provision of mobile phone charger with compact solar system product.
- Facilitation for entrepreneurs in the making of their products and services, for homemakers in conducting homily duties, and for children in utilising evening hours for study.
- Safety of users ensured from hazards related with the use of Kerosene Lamps that are causing health problems among the poor.
- Extensive transition of CEIP's existing and potential clients from non-renewable to solar energy sources, enabling the transformation of attitude towards green energy in semi urban and rural setups.

#### 4. Market Survey

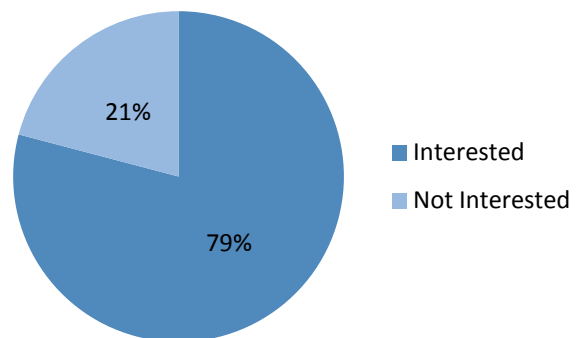
CSC conducted a survey in Lahore, Kasur, and Okara, to assess the market demand for Solar Products. The Quality and Compliance department distributed questionnaires among 308 active and non-active clients.

The 308 clients that were surveyed faced a year-round average of 7.6 hours of load shedding per day.

79.2% (244) of the respondents were interested in buying a solar product; among them a majority of 98% (240) wanted to opt it for their homes only, and 1.6 % (4) were interested in it for business-use only, while another 0.8% were interested in the product for both their homes and businesses.

From the number of clients questioned in the survey around 60.3% (186) knew about Solar Power, while 122 did not. Upon initial questioning from the clients, those who knew about solar power 87.6% showed interest in purchasing the products. While, among those who did not know about solar power, only 31% showed interest in the product, that too, after a brief introduction, which shows that as clients become more aware of the benefits of solar power the demand for such products also increases.

#### Market Receptability



#### 6. Contact information

**Name of organisation:** CSC Empowerment & Inclusion Programme

**Mailing address:** cscpk@brain.net.pk

**Physical address:** 319-4 D/1, Green Town Lahore

**Website:** [www.cscpk.org](http://www.cscpk.org)

**Primary contact person:** Nayab Jan

**Title:** Executive secretary to CEO

**Email:** nayab.jan90@gmail.com

**Telephone number:** 0321-4906151