



Creating Opportunities for Rural Electrification and Telecommunications in the Latin American and Caribbean Region

The Inter-American Agency for Cooperation and Development (IACD) of the Organization of American States (OAS), in collaboration with the Renewable Energy in the Americas Initiative (REIA) of the OAS, is creating a public-private partnership that will bring modern electricity and telecommunication services to isolated rural communities in Latin America and the Caribbean. The Initiative recognizes the following characteristics of this emerging market, which serve as the motivating forces behind the effort:

1. There is a significant unserved rural population, whose economic development is limited by the absence of this basic infrastructure;
2. Advanced wireless technologies offer commercial solutions for infrastructure development without building new telephone and electricity grids;
3. The Inter-American Agency for Cooperation and Development (IACD) has created a new lending mechanism that will offer Latin American and Caribbean countries access to capital for infrastructure projects; and
4. Several leading technology and service providers, including Hewlett Packard, Microsoft, Gilat, Cisco, and Telmex, have expressed interest in catalyzing commercial business opportunities associated with this market.

This Initiative will involve appropriate “technology packages” consisting of the energy generation and storage systems, electricity balance of systems (wiring, switches etc.) and a telecommunications system (satellite telephone and computer with Internet connection). To accompany the technology, a “training package” will be prepared that will include both system training (operation and maintenance) and basic computer training.

The Initiative will concentrate on applying appropriate energy (ex. Solar photovoltaics) and telecommunication systems for community services that represent the highest value in terms of both, quality of life and the potential for cost recovery/income generation. It will focus primarily on providing key public buildings in rural communities -- whether it is a school, health clinic, municipal government building or even a church -- with electricity and adding critical services such as telecommunications and computer systems. Emphasis will be placed on creating telecenters for rural communities, which offer multiple benefits (i.e. education, lighting, telephone communications, Internet links, etc). National governments have increasingly recognized the need to improve rural infrastructure. This fact, coupled with increasing

availability of reliable wireless technologies is resulting in larger investments in rural areas out of the federal resources. It can be expected that this convergence will stimulate considerable investment on the part of the national governments in previously neglected rural communities.

The IACD and REIA have identified several key opportunities for cost recovery and income generation as a result of its experience in the region. For example, the region offers tremendous commercial potential in terms of local food products. Products such as coffee, tropical nuts, and fruits have significant potential for export. However given the lack of capacity among the local residents, coupled with the absence of communication technologies this potential has not been realized. Income generation can also be expected as a result of the general capacity building that will occur through this Initiative in each community. As the local population increases its commercial knowledge and develops linkages with other regions of the country and world, it can be expected that other business (microenterprises) will be established.

Inspiration for this Initiative comes, in part, from the recent demonstration projects that the IACD supported in Honduras. The IACD provided funding to assist in the development of two Solar Villages – or Aldeas Solares. These villages are a successful demonstration of the integration of modern renewable energy technologies with the latest wireless telecommunications systems. As a result of these two efforts, the affected communities have experienced a significant quality of life improvement, while they have also demonstrated considerable capacity to participate in the on-going success of these projects.

The IACD will assist in the creation of this Initiative, built on extensive public-private sector partnerships, in order to mainstream and replicate on a large-scale this type of system. The Initiative will bring together the best available technologies and services from the private sector, with the financial and project management capabilities of this organization to offer a complete set of “best practices.”

Contacts:

Alvaro Lopez
Inter-American Agency for Cooperation and
Development
Tel : 1-202-458-3633
E-mail : alopez@oas.iacd.org

Astrid Raczynski
Inter-American Agency for Cooperation and
Development
Tel : 1-202-458-3637
E-mail : araczynski@oas.iacd.org

Mark Lambrides
Renewable Energy in Americas
Unit for Sustainable Development and
Environment
Tel : 1-202-458-6261
E-mail : mlambrides@oas.org