

VOLUNTARY CARBON CREDIT SCHEMES- A VIABLE SOLUTION TO BRING ELECTRICITY TO 6.1M PEOPLE IN ISOLATED RURAL AREAS IN THE ANDEAN ZONE

Study conducted by social enterprise Microsol in partnership with the Rexel Foundation highlights carbon credits prices need to increase to make the schemes a success

The Rexel Foundation and Microsol partnered on a year-long study into the feasibility of using voluntary carbon credit schemes to give disadvantaged populations in the Andean zone of Latin America, access to a sustainable and clean source of electricity.

The focus of the study*, which was conducted from June 2013 to May 2014 across five Andean countries (Colombia, Ecuador, Peru, Bolivia and Chile), was two-fold: first, to understand how access for disadvantaged people to energy using renewable energy equipment could be improved using a voluntary carbon credit scheme, and second, to assess the viability of using a carbon credit scheme to accelerate deployment of energy efficient lighting.

The study highlighted that the use of energy efficient lighting and renewables would not only improve comfort and quality of life but also benefit the environment by reducing pollution levels and CO₂ emissions.

Although the benefits of a voluntary carbon credit scheme are clear, the study concluded that carbon credits in support of projects in the rural Andean zone would need to increase in value from current levels. Sustainable businesses buy voluntary carbon credits at a value that reflects the positive environmental impact of any given project. Given the positive impact in the Andean zone on both the environment and society, carbon credits would need to be valued at a higher price to ensure the success of the mechanism among rural Andean communities.

Today, 6.1 million people living in rural zones across the five countries lack proper access to electricity, which is most needed i) by off-grid households for lighting, radio and charging cell phones, ii) by medical centres for storing vaccines and offering emergency services at night, such as childbirth, and iii) by educational institutions for teaching using technological tools such as computers and videos to help narrow the technological gap between urban and rural children.

Pascale Giet, Vice-Chairman of the Rexel Foundation, said: *“The analysis of carbon credit mechanisms as a viable means of ensuring the long term sustainability of rural electrification in hard-to-reach, off-grid communities in the Andean zone, is conclusive. There is a real opportunity to use such mechanisms, not only to improve the quality of life of 6.1m people but also to reduce their carbon footprint through the use of renewable and energy efficiency solutions. But for this to happen, the price of carbon credits must increase to reflect both the social and environmental benefits to the communities”.*

Arthur Laurent from Microsol, said: *“The lack of efficient electricity and lighting access is limiting development, preventing improvements in the education, health, security and economic situation at household and community level. The environment is also impacted at an international level through greenhouse gas emissions, which increase the effects of global warming. The voluntary carbon credit mechanism provides a genuine solution for the clean electrification of the rural Andean zone but needs the support of the international business community to make it a success”.*

Survey Results:

To download the full survey report and summary please visit: <http://www.rexelfoundation.com/en> or click [here](#)

Facts & Figures

- On average, rural residents, without access to electricity, consume an annual equivalent of five barrels of oil annually to power just 1.3 refrigerators, compared with urban residents with access to electricity, who consume the equivalent of 3 barrels of oil annually and produced enough energy to power 5.4 refrigerators, highlighting the need for energy efficient alternatives
- Columbia -13% of rural households are without electricity (1.5million people), Ecuador – 10% of rural households are without electricity (0.5million people), Peru – 36% of rural households are without electricity (2.4million people), Bolivia -42% of rural households are without electricity (1.6million people) and Chile – 6% of rural households are without electricity (0.1 million people)
- Bolivia has by far the lowest rural electricity rate even if the total number of people without electricity is highest in Peru.
- Chile has almost completed its rural electrification process
- Without the carbon market, disadvantaged communities have fewer financial means to ensure clean energy technologies are maintained and in good working order to ensure sustainable supply for years to come.
- Socially responsible companies can buy carbon credits from an electricity-access program whose quality, sustainability, social and environmental impacts are guaranteed
- Sustainable access to clean energy has a positive impact on a community's education, health, economy, environment and safety

*The results of the study are based on: interviews with energy efficiency experts based in the five countries (175 people were interviewed from across 97 institutions, including companies, NGOs and public authorities), field visits to 10 renewable energy projects and an extensive review of existing literature and research on related topics.

About Microsol

Microsol is a social enterprise that has been working since 2007 in Latin America to provide access to basic energy services. It allows companies to offset their carbon footprint through projects that benefit rural communities, in partnership with NGOs and development bodies. The projects are selected by Microsol for their environmental qualities – reducing greenhouse gas emissions and control of local environmental impact – but also for their strong social dimensions; Microsol favors projects that ensure progress toward poverty reduction and improvement of health and living conditions.

Microsol has developed expertise in increasing the value of these projects in the voluntary carbon offset market. Located in Mexico and Peru, it supports projects throughout the South American continent. Its core business, building partnerships between development bodies and companies,

covers all stages of a project: bringing local players together within the same program, certification of impact, the sale of impact certificates, the promotion of the actions of partner companies and support for NGOs in the field.

About the Rexel Foundation

The Rexel Foundation for a better energy future was founded in May 2013 by the Rexel Group, a global leader in the professional distribution of products and services for the energy world, under the aegis of the Fondation de France. The Rexel Foundation's mission is to promote access to energy efficiency for all based on three key pillars: to improve understanding and raise awareness of energy efficiency; to encourage innovation through research and education, and to support community projects across the world in partnership with NGOs, social entrepreneurs and other key stakeholders.

About Rexel

Rexel, a global leader in the professional distribution of products and services for the energy world, addresses three main markets - industrial, commercial and residential. The Group supports customers around the globe, wherever they are, to create value and run their businesses better. With a network of some 2,300 branches in 38 countries and c. 30,000 employees, Rexel recorded sales of €13 billion in 2013.

Rexel is listed on the Eurolist market of Euronext Paris (compartment A, ticker RXL, ISIN code FR0010451203). It is included in the following indices: SBF 120, CAC Mid 100, CAC AllTrade, CAC AllShares, FTSE EuroMid, and STOXX600. Rexel is also part of several SRI indices including the DJSI Europe and the FTSE4Good Europe & Global. For more information, visit Rexel's web site at www.rexel.com

CONTACTS

PRESS

Pénélope LINAGE	+33 1 42 85 76 28	penelope.linage@rexel.com
Karolina ADAMKIEWICZ	+33 1 42 85 76 39	karolina.adamkiewicz@rexel.com
Amelie André	+33 1 42 85 9950	amelie.andre@rexel.com

Microsol: Emilie ETIENNE	+51 1 241 5560	eetienne@microsol-int.com
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