



# Bolivia

GDP: **\$30.6bn**

Five-year economic growth rate: **12%**

Population: **10.7m**

Total clean energy investments, 2006-2013: **\$6.9m**

Installed power capacity: **1.9GW**

Renewable share: **16.6%**

Total clean energy generation: **1,443GWh**

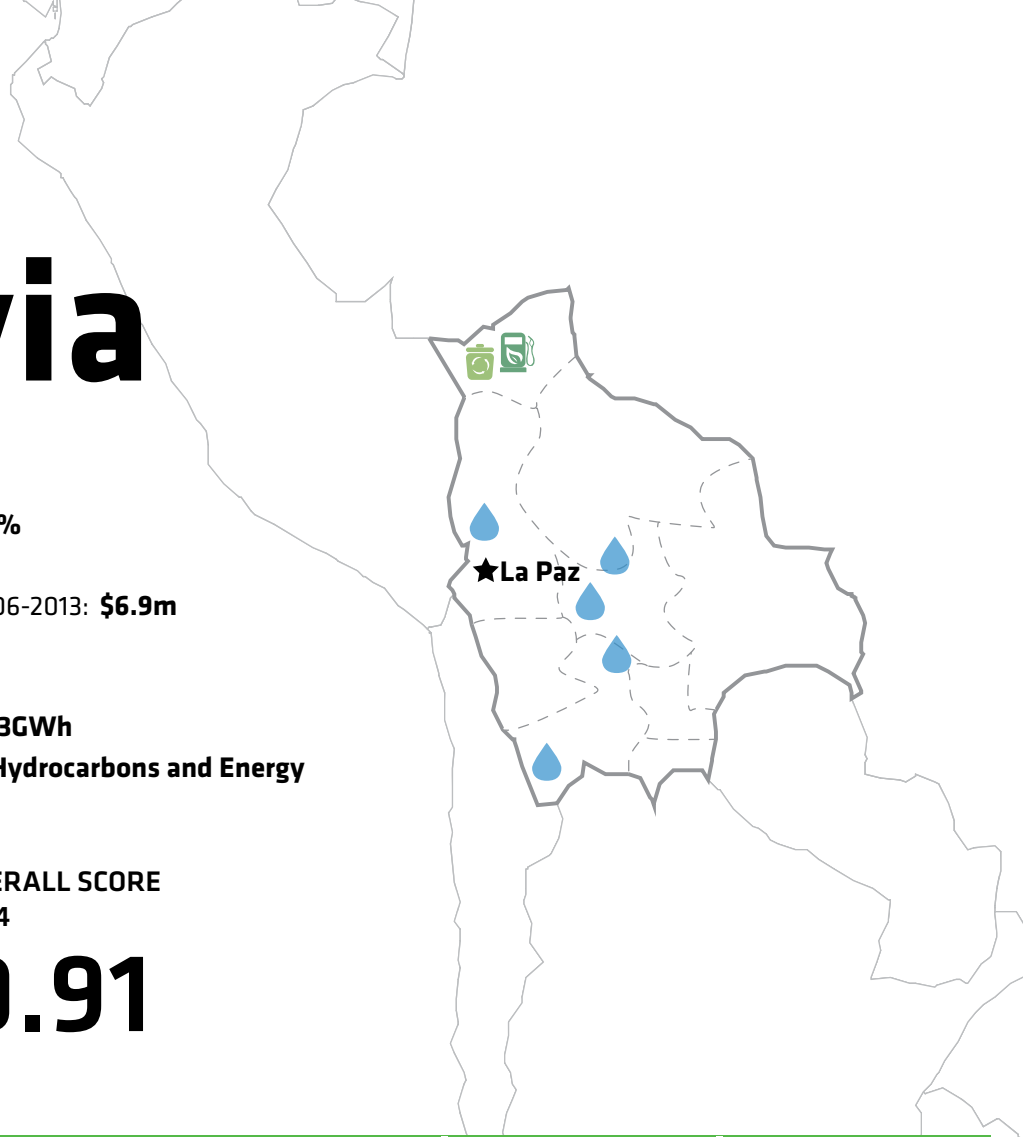
Top energy authority: **Ministry of Hydrocarbons and Energy**

OVERALL RANKING  
2014

**36**

OVERALL SCORE  
2014

**0.91**



PARAMETER	RANKING	SCORE
I. Enabling Framework	48	0.65
II. Clean Energy Investment & Climate Financing	07	1.10
III. Low-Carbon Business & Clean Energy Value Chains	47	0.83
IV. Greenhouse Gas Management Activities	23	1.33

## SUMMARY

Bolivia ranked 36<sup>th</sup> among the 55 countries assessed by *Climatescope* 2014, with a score of 0.91. This earned it 17<sup>th</sup> place among the 26 Latin American and Caribbean nations.

The country is among the top 20 natural gas producers worldwide. The fuel is nation's main power source in 2013, it accounted for 62% of the 7.3TWh generated across all sources. Access to this ready supply of gas, plus the impact of government subsidies, means that electricity prices are low, at an average of \$0.08/kWh for retail consumers.

The nationalization of energy companies in recent years, combined with a lack of policy support for renewables and weak

economic incentives has meant that clean energy investors have kept their distance. Investment has been limited to state-led projects thus far and the country's clean energy (excluding large hydro) potential is largely untouched, which is reflected in the country's low *Climatescope* score.

However, the South American country should start to see more clean energy activity. On July 2014, the government published new legislation regulating the payment of renewables. The pipeline of projects includes a hydro projects, pilot PV-diesel hybrid system, wind farms and a two-phase geothermal plant.

For further information, access [www.global-climatescope.org/bolivia](http://www.global-climatescope.org/bolivia)

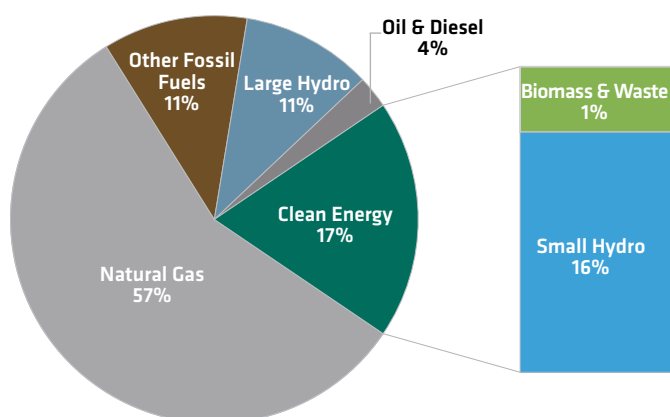
## PARAMETERS AT A GLANCE

Following a wave of nationalization, Bolivia has a predominantly state-owned power sector. There are three private companies still active in the generation segment.

While natural gas is the main source of electricity generation, renewable energy does play an important part. A total of 17% of the country's 1.9GW of installed grid capacity comes from clean energy sources: small hydro (291MW) and biomass & waste (25MW). Nonetheless, given the low power prices, the lack of clean energy policy incentives until 2013 and absence of new renewable capacity, Bolivia only made it to 48<sup>th</sup> position on Parameter I, Enabling Framework.

### INSTALLED POWER CAPACITY BY SOURCE, 2013 (%)

1.9GW total installed capacity



Source: Bloomberg New Energy Finance, Autoridad de Fiscalización y Control Social de Electricidad

Bolivia's clean energy sector has seen very little activity in recent years, with no funds recorded between 2006 and 2012. In 2013, \$7m was invested in the first phase (3MW) of a 24MW wind plant. In contrast, there are four microfinance organizations offering loans for clean energy solutions. So far, they have been involved in more than 1,300 transactions. This activity helped to ramp up its score on Parameter II, Clean Energy Investment, to 7<sup>th</sup> place globally.

More activity is expected in the next few years. Local utility Empresa Electrica de Guaracachi and Spanish engineer Isotron are developing a 5MW pilot PV-diesel hybrid system in Cobija, near the border with Brazil. In a country where the electrification rate stands at 87%, distributed hybrid solutions are seen as a good way to deliver a reliable power supply and decrease fuel costs. In addition, in early 2014, the Japan International Cooperation Agency agreed to finance Phase I of a 50MW geothermal plant, which is expected to be completed by 2020.

Bolivia has very few renewable energy companies, hence its low ranking (47<sup>th</sup>) on Parameter III, Low-Carbon Business and Clean Energy Value Chains.

On Parameter IV, GHG Management Activities, it finished in the middle of the pack (23<sup>rd</sup>) given its potential for GHG offset projects.

### GREEN MICROFINANCE HIGHLIGHTS

#### Summary Green MFI Survey 2014

Green Microfinance Institutions / Total MFIs	4/38
Green Microborrowers	1,371
Total Amount of Green Microloans Disbursed	\$13,671,115
Average Cost of Green Microloans	15.5%
Average of Loans Portfolio	1-2%

Source: Bloomberg New Energy Finance

Note: Figures based on survey conducted by BNEF from March to June 2014, with a total of 1067 microfinance institutions based in LAC.