

v20170706

# Enhancing Distribution of Off- Grid Energy Solutions: Role of Policy

Without a radically new approach, Africa is likely to miss its universal electrification targets by 50 years



Target: Universal electrification by **2030**



“ On current trends, it will take Africa until **2080** to achieve universal access to electricity. ”

– APP report, 2015

**AFRICA**  
PROGRESS PANEL

- ▶ 70% of Tanzania's population of 50 million lives in the rural areas. Of this population 7% is connected to electricity
- ▶ (National Census 2012)
- ▶ Tanzania targets to increase the country's electricity connectivity to 50% by 2025 and 75% by 2033

## **Policies/Programmes**

- ▶ National Energy Policy (2003)
- ▶ National Energy Strategy
- ▶ World Solar Programme (National Solar Programme)
- ▶ EAC Policy/Strategy for Access to Modern and Clean Energy (2009)

## **Players**

- ▶ Rural Energy Agency
- ▶ Rural Energy Fund
- ▶ TANESCO

## All electrification solutions have their place, but we are convinced of the SHS proposition

Multiple solutions ...



... but not all solutions are equally relevant for everyone

**Grid extension**



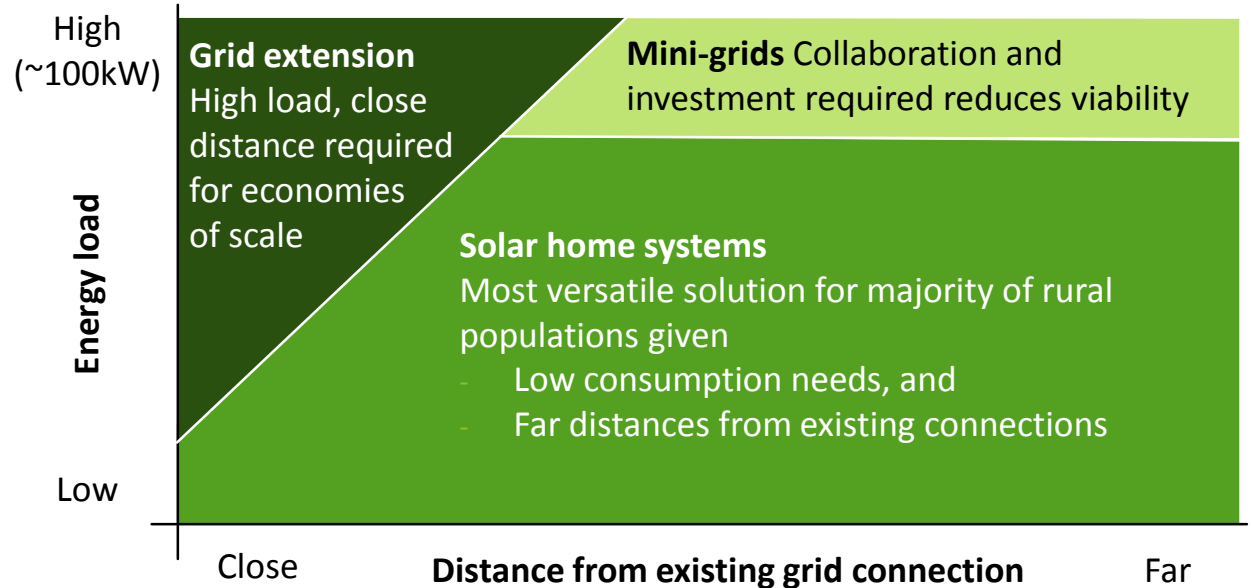
**Mini-grids**



**Solar home systems**



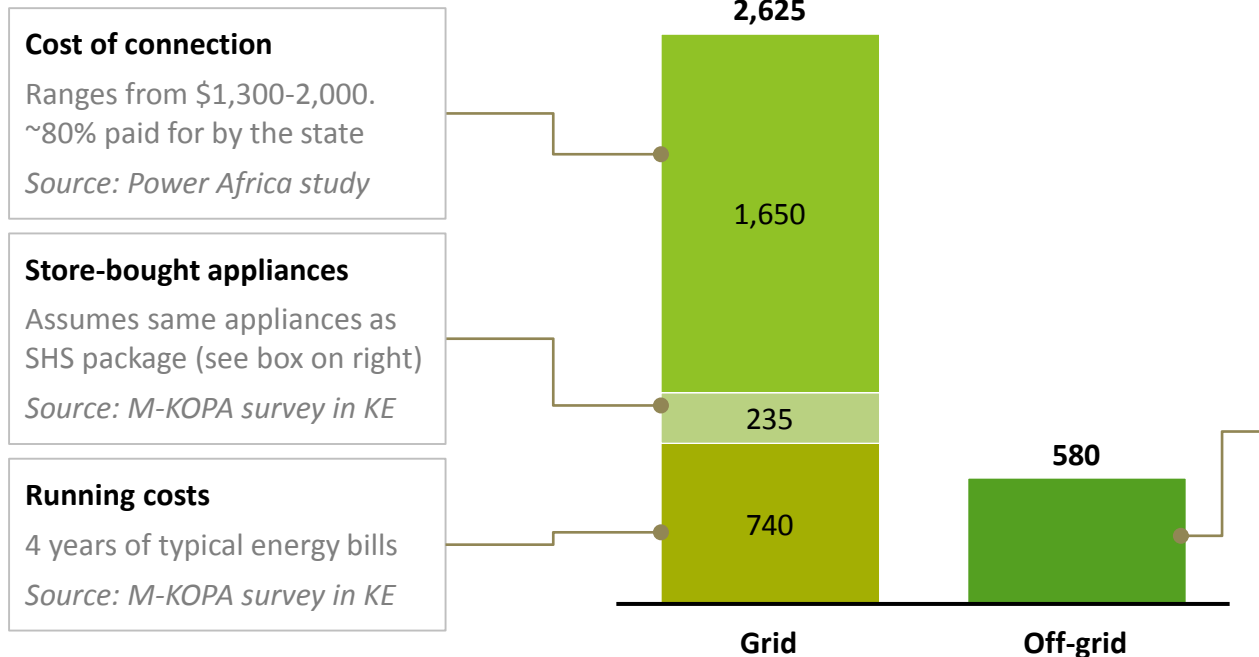
Picolanterns not included



## For most rural households, off-grid solutions are cheaper, faster and easier than the grid

### Typical costs to electrify a rural home

USD, from Kenya data, assuming a 4-year timeline



#### Cost of connection

Ranges from \$1,300-2,000.  
~80% paid for by the state

Source: Power Africa study

#### Store-bought appliances

Assumes same appliances as SHS package (see box on right)

Source: M-KOPA survey in KE

#### Running costs

4 years of typical energy bills

Source: M-KOPA survey in KE

**5x** Cost of the grid vs a solar home system for a rural home

### Solar home system with connection, appliances and 4-year warranty



3x bulbs, torch, radio, TV, phone charger

Source: M-KOPA MKTV Package

**1** NO POVERTY



**\$183**

Av. saved by each household every year of using M-KOPA, equivalent to \$410M total saving by existing customers

**3** GOOD HEALTH AND WELL-BEING



**2.5bn**

Packs of cigarettes equivalent of fumes *not* inhaled by our current customers (by reducing 2bn hours of kerosene use)

**4** QUALITY EDUCATION



**93%**

Households reporting M-KOPA has improved their children's ability to study at night

**7** AFFORDABLE AND CLEAN ENERGY



**2.3M**

Number of people with access to affordable and clean energy given M-KOPA

**8** DECENT WORK AND ECONOMIC GROWTH



**18K**

Small businesses created by our customers as a result of using M-KOPA (in addition to creating 2,500+ jobs)

- ▶ Plenty of policies
- ▶ Solutions available
- ▶ Conflicting priorities between different arms of Government (Revenue Collection –vs- Electrification Goals)
- ▶ Innovation not embraced
- ▶ Lack of incentives to private sector
- ▶ Opportunities for Public/Private Partnerships not seized – No dialogue
- ▶ No priorities for providing an enabling environment
- ▶ Lack of clarity in implementation of duty and taxes
- ▶ Slow response to requests for guidance

*“If you encourage something, you get more of it; if you discourage something, you get less of it.”*

(Lawrence Reed: Seven Principles of Sound Public Policy)

# Contact Us

## Pauline Githugu Director of External Affairs

Pauline led M-KOPA's response to the recent amendments to the East Africa Customs Management Act which eliminated the duty exemption for solar accessories and spare parts. Pauline joined M-KOPA in 2015 having previously been the CEO of Microfinance Bank. She has a wide range of leadership skills with over 18 years experience in both the legal and microfinance sectors. Pauline has a Bachelor of Laws degree, is an Advocate of the High Court of Kenya and a Certified Public Secretary

[pauline.githugu@m-kopa.com](mailto:pauline.githugu@m-kopa.com)

+254 711 44 36 44

