



MINISTRY OF ENERGY

PRESS RELEASE

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Nairobi: Government of Kenya Provides Support to the Private Sector to Enable the Sale of Quality Solar and Clean Cooking Products in Off-Grid Areas

Residents of off-grid areas in Kenya are poised to benefit from the sale of quality solar and clean cooking products following the release of Ksh 500,000,000 from the Kenya Off-Grid Solar Access Project (KOSAP) to 19 companies to facilitate the sale of their products in these counties.

The release of funds has provided the companies with the necessary facilitation to move into the counties to set up sales and after-sales infrastructure for standalone solar systems and modern cookstoves, under the Sh15 billion Kenya Off-Grid Solar Access Project (KOSAP). A total of 10 vendors have been selected for standalone solar systems and 9 for clean cooking component, after a competitive evaluation process.

The companies are contracted under the second component of KOSAP, where Results Based Financing (RBF) and Debt Facilities have been established, aimed at spurring private sector actors to invest in modern solar solutions and providing clean cooking solutions in counties that are not served by the national electricity grid. KOSAP is extending financing to the selected companies as part of the government efforts to achieve universal access to electricity by 2022 and universal access to clean cooking by 2028, as per the Kenya National Electrification Strategy and the Kenya Sustainable Energy for Action Agenda respectively. The Results Based Financing (RBF) and Debt Facilities are managed by SNV Netherlands Development Organization and SunFunder, on behalf of the Ministry of Energy.

Speaking about this development, Energy Cabinet Secretary Charles Keter noted: *“This is a major milestone for us at the Ministry and the Government of Kenya. This project will enable us to provide Stand-alone Solar Systems (SSS) and Clean Cooking Solutions (CCS) for households in 14 counties that are currently*

underserved by the national electricity grid, as a critical lever for achieving inclusion, a higher standard of living for our citizens and overall socio-economic development.”

The recipient firms are expected to use the funds for product acquisition (stock), market distribution (network building at local level e.g. set-up of agents) and sales conversions through marketing and direct engagement with potential customers

The 10 Solar Service Providers (SSPs) will be active in Turkana, West Pokot, Isiolo, Wajir, Garissa, Samburu, Marsabit, Isiolo, Tana River, Lamu, Kwale, Kilifi, Taita Taveta and Narok Counties. Under this first round of funding, the solar companies have received Ksh 300 million cumulatively and will be expected to sell about 165,000 solar products in the 14 Counties.

The 9 Clean Cooking Solutions (CCS) have received a total of Ksh 200 million cumulatively and they are expected to sell about 85,000 stoves in the five Counties of West Pokot, Turkana, Marsabit, Samburu and Isiolo.

The Solar Service Providers (SSPs) that have been selected to participate in this component of the project are: Ms Greenlight Planet Kenya, Ms Solibrium Ltd, Ms Solar Integrated Appliances Ltd, Ms Raju Shanga House Ltd, Ms Azuri Technologies Ltd, Ms D. Light Ltd, Ms Livelyhoods Kenya Ltd, Ms Biolite Holdings Ltd, Ms Mobisol Holdings Ltd, and Ms Pawame Ltd.

On the Clean Cooking Solutions (CCS) front, the following firms were successful: Ms Rafode Renewable Energy Ltd, Ms Solar Integrated Appliances Ltd, Ms Raju Shanga House Ltd, Ms MK Light Africa Ltd, Ms Livelyhoods Kenya Ltd, Ms Biolite Holdings Ltd, Ms Africa Clean Energy Ltd and Ms Kenya Women Finance Trust.

An ambitious five-year project, supported by the World Bank and implemented by the Ministry of Energy, Kenya Power and Lighting Company (KPLC) and Rural Electrification & Renewable Energy Corporation (REREC), KOSAP seeks to have 250,000 households served by stand-alone solar systems and 150,000 households served by Clean Cooking Solutions (CCS).

It further seeks to construct 157 mini-grids in the targeted Counties that will be used to connect about 61,500 households with solar power. Similarly, about 473 public facilities including secondary schools, health clinics as well as administrative offices will be supplied with solar power under the Project. A total of 380 boreholes that currently use diesel and other fuels will also benefit with installation of renewable solar power.

In order to meet the target of 250,000,000 households served by stand alone solar the Results Based Facility under KOSAP, will have three additional phases where total of KSh 1.20 Billion will be disbursed to solar companies.

A further Ksh 3 Billion will be availed as short-term debt to the solar service providers (SSPs) to finance costs associated with solar product stocking and transit to Kenya until a sale is made. This model is expected to enable the service providers to adopt favourable payment methods that will allow households to pay off the costs of the solar products over time.

The service providers are expected to provide both portable and installed solar home systems consisting of at least two fixed lights; one portable light, radio operations and phone charging capabilities which meet Lighting Global Standards.

Under the Clean Cooking Component, a second phase that will also include the Counties of Kilifi, Kwale and Lamu is expected to be unveiled in the coming year. A total of Ksh 500 Million will be extended to companies to enable them to market their stoves locally, increase their inventories of the selected higher-quality stoves, purchase and transport them to the target communities in number, and to sell them in the communities. All the stoves sold under the Project must be tier 2 and above stoves as per the ISO IWA standards.

Ends.