

Green Tech in Practice – How to Make Solar Energy Affordable

Hosted by Deutsche Investitions- und Entwicklungsgesellschaft mbH (DEG)

In many countries of Sub-Saharan Africa, only a small proportion of the population has access to the national electricity grid. State-owned utility companies lack the production capacity and grid infrastructure needed to forge ahead with large-scale expansion of the power grid. "Green economy" with off-grid solar power systems that provide a sustainable, decentralized energy supply, represents a useful solution. It not only improves living conditions, but at the same time it fosters economic development in rural areas. It is therefore important to bring affordable systems, combined with flexible payment methods, to the market.

What can private investors do to support the distribution of affordable solar systems? What role can development finance institutions play in this context – for instance by promoting development and distribution of such systems? How can these systems be made affordable for the local population? What can be done to ensure that they are properly installed and maintained? Are such investments profitable for customers and companies in the long-term? And how does an improved energy supply affect the economic strength of rural areas?

The workshop reviewed these questions by looking at the German company Mobisol GmbH as an example. Mobisol develops and distributes solar home systems in combination with an innovative payment system. The role of the borrower was outlined from the point of view of DEG, the development finance institution that provided the project with funds through the Federal Ministry for Economic Cooperation and Development's develoPPP.de program.

In his introduction, Bruno Wenn, Chairman of DEG's Management Board, explained the importance of affordable solar technology to developing and emerging-market countries. According to Wenn, high costs and a lack of know-how and finance are the main obstacles. These, however, could be overcome if the private sector offered sustainable and affordable solutions, if governments created corresponding framework conditions for the use of renewable energies and for private sector participation - and if development finance institutions like DEG were willing to make the necessary long-term financing available.

In his practice-oriented presentation, Thomas Gottschalk, founder and managing director of Mobisol GmbH, described how the local population is able to benefit from mobile solar systems. Mobisol offers a reliable, sustainable and notably affordable off-grid energy supply in Tanzania and Mozambique. What makes it so special is that customers pay low monthly installments using a mobile payment system via SMS.



The presentation was followed by reactions from German and foreign media. Peter Seidel from Kölner Stadt-Anzeiger, a regional newspaper published in Cologne, Germany, reported on his experiences from a German point of view. He underlined that the solar technology implemented must be compatible with local customs. South-African journalist Alani Janeke from Landbou.com, a web portal for agribusiness, pointed out that affordable solar technology should not only benefit private households and small commercial establishments, but also smallholders.

The workshop ended with a lively debate with the audience, which included journalists from many African countries. The unanimous opinion was that an affordable energy supply is vital for the development of the continent. Consequently, the most frequently question asked by people from countries where Mobisol is not yet operating was: When will Mobisol's solar panels be available in these countries?

Panel

Bruno Wenn Chairman of the Management Board, Deutsche Investitions- und Entwicklungsgesellschaft mbH, Cologne, Germany

Thomas Gottschalk General Manager, Mobisol GmbH, Berlin, Germany

Alani Janeke Journalist, Landbou.com/Landbouweekblad, Pretoria, South Africa

Peter Seidel Journalist, Kölner Stadt-Anzeiger, Cologne, Germany

Moderation

Monika Hoegen Journalist, Brussels, Belgium and Cologne, Germany