

Africa-EU Renewable Energy Cooperation Programme

Creating opportunities for renewable energy



Fact File

WORKSHOP ON GREEN MINI-GRIDS

OPPORTUNITIES FOR RURAL DEVELOPMENT IN AFRICA - 5TH SEPTEMBER 2013, ARUSHA, TANZANIA

Background

Today, Africa faces urgent energy challenges that have a direct impact on the ability of the continent to achieve its full potential for development. Rural electrification based on grid extension may be the least-cost option in a wide range of scenarios, but the costs of extending the grid as well as the demand profiles in rural areas may render this strategy unviable. This opens up both need as well as opportunities for mini-grids. However, conventional power supply options, in particular diesel-run mini-grids, are often associated with high fuel costs. Renewable and hybrid energy mini-grids hold significant potential for the African energy sector: Expanding energy access with associated benefits such as local employment and economic development.

In order to support efforts to improve the enabling environment for investment in green mini-grids, a “Mini-Grid Policy Toolkit” is currently being developed under the RECP. The toolkit is a joint initiative by the EU Energy Initiative Partnership Dialogue Facility (EUEI PDF), REN21 and the Alliance for Rural Electrification (ARE).



This workshop, held on 5th September 2013 in Arusha, Tanzania, was organized by the EUEI PDF and hosted by the Rural Energy Agency (REA) Tanzania. The workshop was convened on the topic of mini-grid applications in East

Africa and included representatives from public authorities, civil society, development partners and private sector.

Objectives

The workshop aimed at raising awareness of mini-grid applications in East Africa through:

- » Sharing knowledge and experience on mini-grid technologies for applications in Africa
- » Discussing recommendations and tools to improve the policy and regulatory framework for mini-grids
- » Elaborating successful project development processes and operation models for mini-grids

Results and conclusions

The mini-grids workshop attracted more than 70 participants from 15 different countries. The workshop was considered to be a great opportunity for practitioners to identify key challenges and workable solutions to implement mini-grid technologies. Observations and recommendations by workshop participants included:

- » The technologies are available – the core challenges are sound business models and regulatory frameworks responding to the needs of business models and thus creating an attractive and enabling environment for investment
- » In particular the issue of future grid connection of mini-grids require clear and fair rules within legal and regulatory frameworks in order to avoid uncertainty on the investor or project promoter side

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- » To resolve quality, reliability and safety issues of mini-grids, simple and clear standards are required
- » Project viability and sustainability can benefit greatly from addressing productive use needs and from involving anchor customers
- » Thorough involvement of local structures, partners and communities is crucial for long-term sustainability of mini-grid applications.

The way forward

The feedback and input provided by the workshop participants will feed into the “Mini-Grid Policy Toolkit” – a joint project of the EUEI PDF, REN21 and ARE in the framework of the RECP. The Toolkit will support policy makers and senior technical staff in African countries in shaping the policy and regulatory framework for rural electrification and thus mobilize investment in renewable energy or hybrid mini-grids. The final toolkit is expected to be available in the beginning of 2014. Three further workshops are planned for disseminating the Mini-Grid Policy Toolkit in Sub-Saharan Africa.

“The event was full of opportunities and challenges. I gained a deep understanding of the subject”

Participant, Tanzania

“I enjoyed every minute of the meeting and pray that decision makers are now better prepared to help rural Africans to have access to electricity!”

Panel Speaker, Kenya

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