



THE WORLD BANK
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Nairobi, Kenya

**“Upscaling Mini Grids for Least Cost and Timely Access
to Electricity Services”**

Technical Conference Welcome & Introductions

Talking Points

By

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Salutation:

Thank you Hon. Charles Keter for the warm welcome.

Distinguished Guests, Ladies and Gentlemen.

I am honored to be part of this international conference that focuses on challenges and solutions to scaling up mini grids in Africa. Mini grids hold great potential for expanding electricity access across the entire region. This conference not only attests to this fact, but also demonstrates the global community's

commitment to take this potential to scale. Participants gathered here today come from both public and private sectors – an indication that both actors play critical roles in taking mini grids to the next level.

The role of mini-grids in global sustainable development

- 1.1 billion people globally still lack access to electricity.
- About 87 percent of those live in rural areas, and 88 percent live in Sub- Saharan Africa and South Asia.
- Ensuring access to affordable, reliable, sustainable and modern energy for all is critical for improving the health and livelihoods of people around the world.
 - With adequate, reliable lighting children can read and do homework longer and families can generate more income.
 - Many alternative lighting sources, like kerosene lamps, emit a dull light and are a major source of pollution, harming familyhealth and the local environment.
- Therefore, Sustainable Development Goal 7 has been established, in alignment with the Sustainable Energy for All objective toachieve universal access by 2030.

Why is the Bank supporting mini-grids?

- The World Bank works with countries to help them increase access to modern energy services in order to reduce poverty and promote shared prosperity.
- Many of the world's poor live in villages which are typically too far from the main grid to be connected within the next ten years – it is simply too costly. High dispersion of rural populations also renders grid extension unfeasible.
 - This is particularly true for sub-Saharan Africa, where an overwhelming majority of the population is expected to be in rural areas for the foreseeable future.
- **At the same time, for these communities without energy access, and in particular their young workforce, the opportunity cost of waiting for the grid to reach their villages in next 10-20 years is huge.**
- We believe that mini-grids offer a promising solution to power these rural areas and stimulate economic growth. We are committed to taking their development to the next level and this is why we are all here today

How is the Bank supporting mini-grids?

- The World Bank, along with other MDBs of the Scaling up Renewable Energy Scale-up Program (SREP), is financing initial efforts to scale up mini-grids in Kenya, Mali, Tanzania, Liberia, and Nepal.

- To date, more than \$90 million has been allocated for these mini-grid programs.
- The SREP pilot countries will build tangible experience with mini-grid systems to enable further replication.
- The Energy Sector Management Assistance Program (ESMAP) at the World Bank with support from DFID and Danida is leading a Global Facility on Mini Grids and organizing this conference today.
 - This facility aims to scale up mini grids in World Bank Group projects to help bring least cost and timely access of electricity services to rural settlements.
 - Through learning by doing - the facility works with stakeholders along the value chain – including yourselves – to address several challenges such as pricing, regulations and others and to connect the mini-grid community to useful knowledge

Mini-Grids in Kenya

- Access to electricity service in Kenya has increased rapidly from 23% in July 2009 to roughly 50% today.
- However, the interconnected electricity system covers only the southern belt of the country and most of the remote and northern parts of the country have no grid coverage

- In fact, the World Bank is supporting the electrification of households, public institutions, and water pumping facilities using solar PV in these underserved counties. Many of these loads could serve as anchor customers for further mini-grid development.
- With the ambitious target of achieving universal access by 2020, Kenya is leading the way in mini-grid development
- There are currently 21 mini-grid stations, with installed capacity of about 25MW, and there are 11 mini-grid sites currently under construction by Rural Electrification Authority (REA).
- The private sector is also active. For example, Powerhive, Steamaco, and others are currently developing and operating mini-grids. Some of them looking to upscale mini grid delivery into hundreds of villages.
- As there is great momentum in Kenya, PS Njoroge asserted in yesterday's Roundtable that it is the opportune time to articulate policies and regulations within a national strategy for mini-grid development.

Key challenges facing mini-grids in Africa

- While mini grids have a long history and are widely used in several parts of the world, they are now emerging as a viable option for meeting the energy demand in Sub-Saharan Africa

- Their continued development will require transformation in how countries conceptualize and finance energy systems.
- Investment capital has traditionally been limited as lending institutions have been cautious about providing capital to governments and businesses without strong in-country track records.
- But recently, technological and institutional innovations, as well as cost reductions have made mini grids a more attractive option and they have begun to attract investment
- It is time to create an enabling environment, build technical know-how, and improve access to finance to implement and scale up sustainable mini-grid development.

What to expect from this event/Thank You

- Today's technical conference will bring all of us together to discuss concrete solutions on policy, financing, community engagement and ease of doing business – to name a few - **to accelerate the uptake of the mini grid sector for least cost and timely access to electricity services in different countries.**
- I extend to you a warm welcome and hope you enjoy this conference.

Thank you