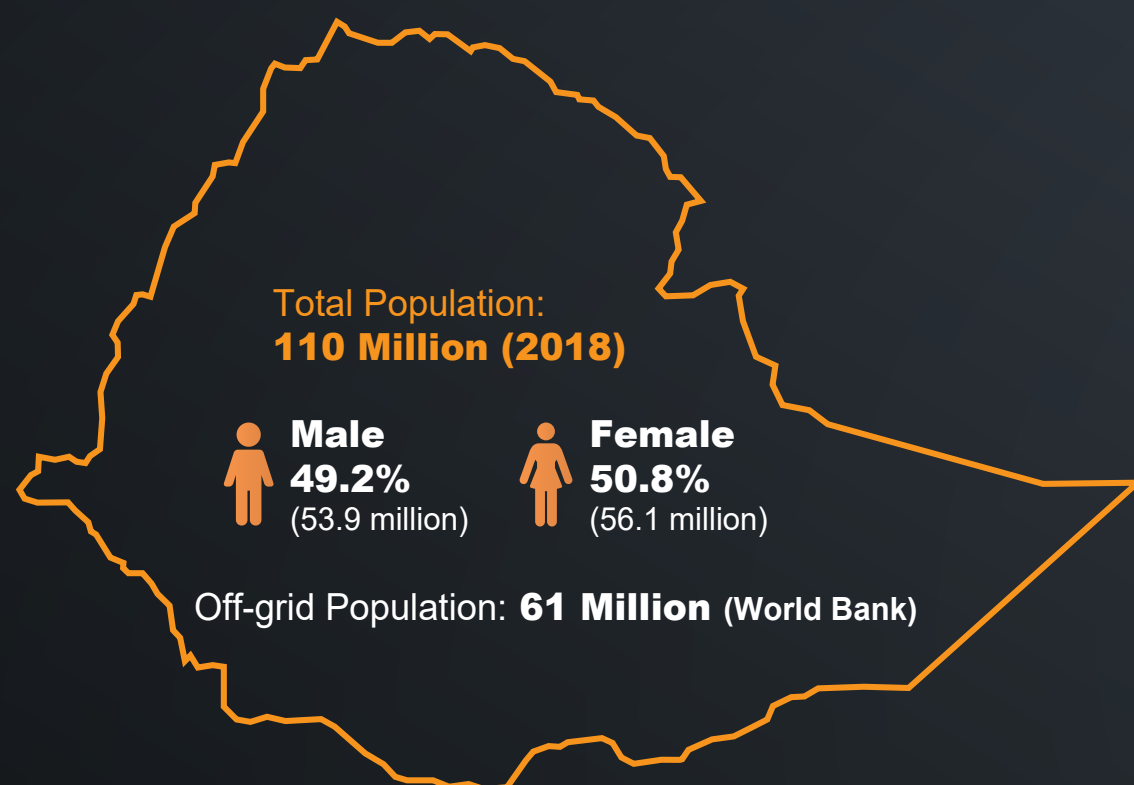


# ETHIOPIA'S OFF-GRID SECTOR



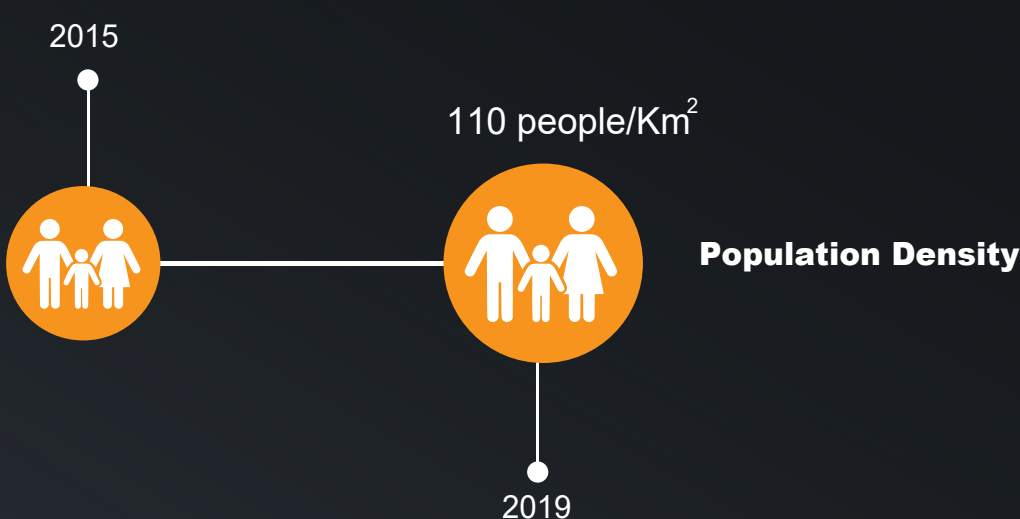
Grid: **65%** of universal electrification by **2025**

Off-Grid target: **35%** of universal electrification by **2025**. To reach **6 million** rural households

## Narrative:

Ethiopia is the second largest market in Africa for stand-alone solar, after Nigeria. It has an off-grid population of 61 million people, majority of them in rural areas. The country has an above average PAYG Attractiveness Index because it has high potential demand. However, the country has only one mobile phone company that has been facing challenges with the deployment of mobile money.

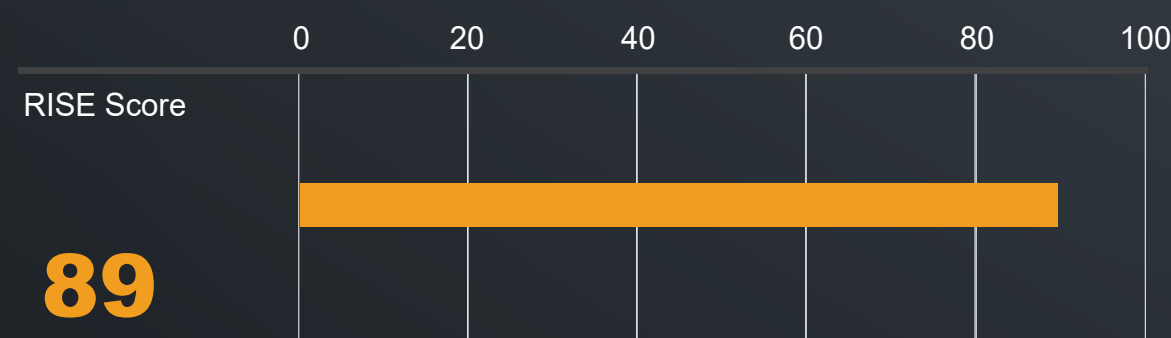
The country also has a favourable Framework for Stand-Alone Solar Systems because of the availability of national programmes that favour the development of stand-alone systems, duty exemptions, legal restrictions, financing facilities, international quality standards, and environmental regulations for solar e-waste. However, there are major challenges with access to forex which limits solar companies' ability to expand their operations or even reach poor and vulnerable households. The sales drop between June 2016 to December 2018 was due to limited access to forex for stand-alone solar companies.



**23.7%**  
Poverty Headcount Ratio,  
up from 29.6% in 2010  
(World Bank)



**26.5%**  
Rural Electrification Rate:  
**26.5% (World Bank, 2016)**



Ethiopia (at 89 out of 100) has one of the best Frameworks for Stand-Alone Systems, only coming second to Kenya and Togo, both at 100 (World Bank, 2017)

The three indicators for the average framework are; existence of a national program for solar home systems, standards and quality (adoption of quality standards, presence of testing arrangements, environmental regulations on disposal of solar related waste), financial incentives (duty exemptions or specific financing facilities).

**62%**

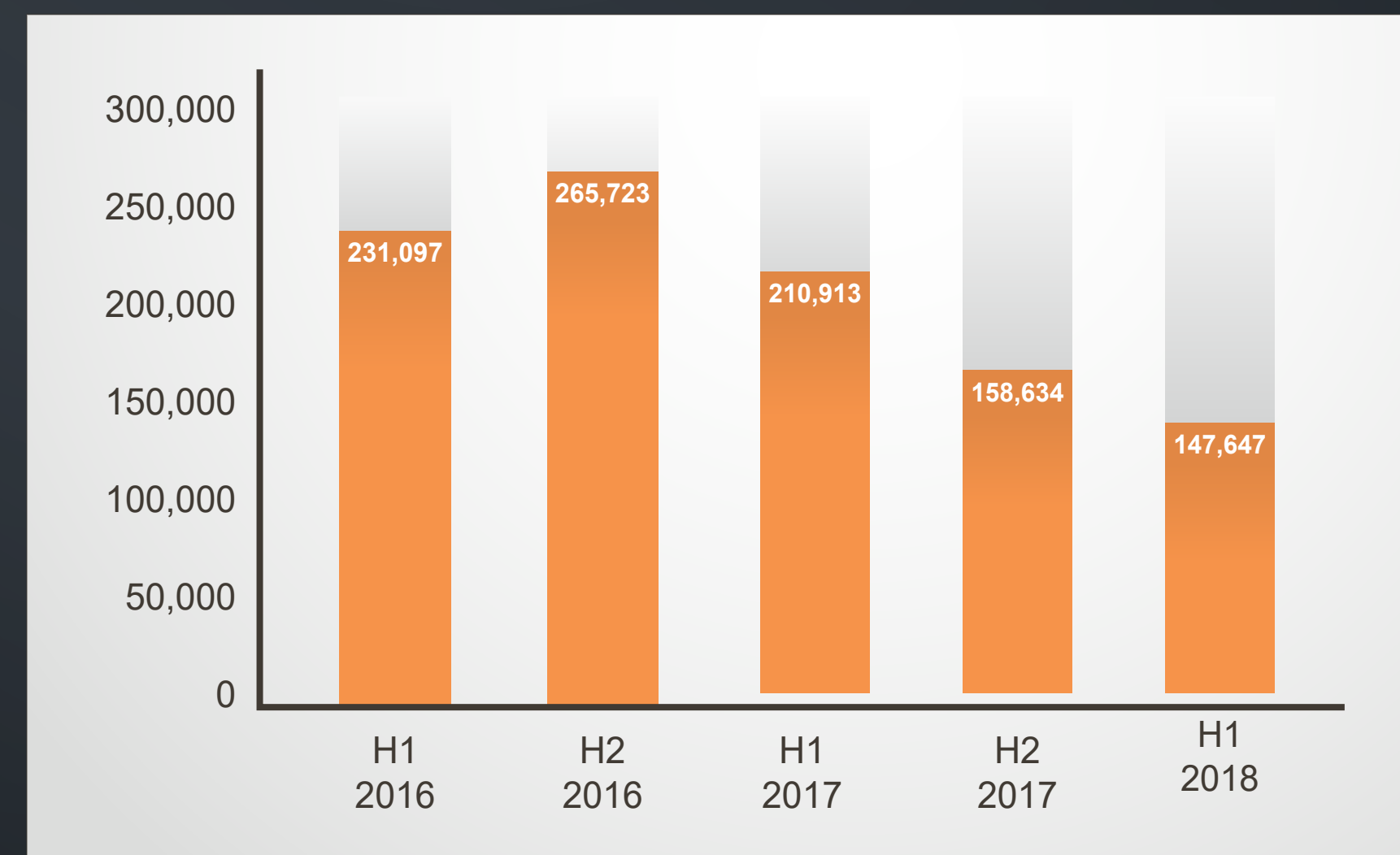


Pay As You Go Attractiveness Index  
(IFC Lighting Global 2018)

**159**

Ease of Doing Business (World Bank 2017)

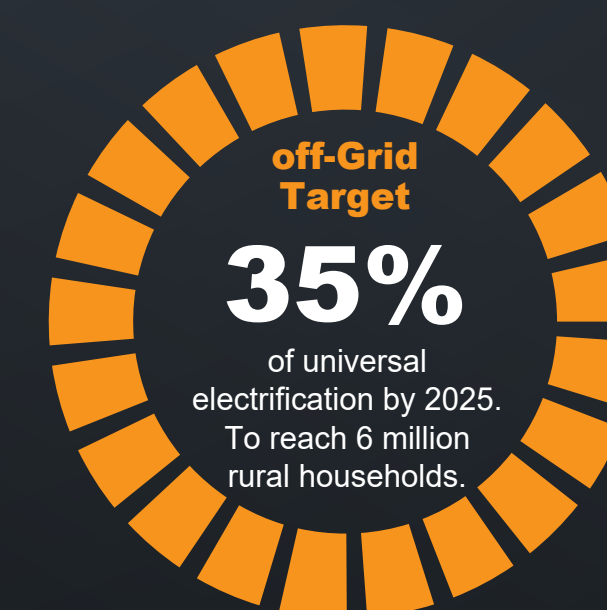
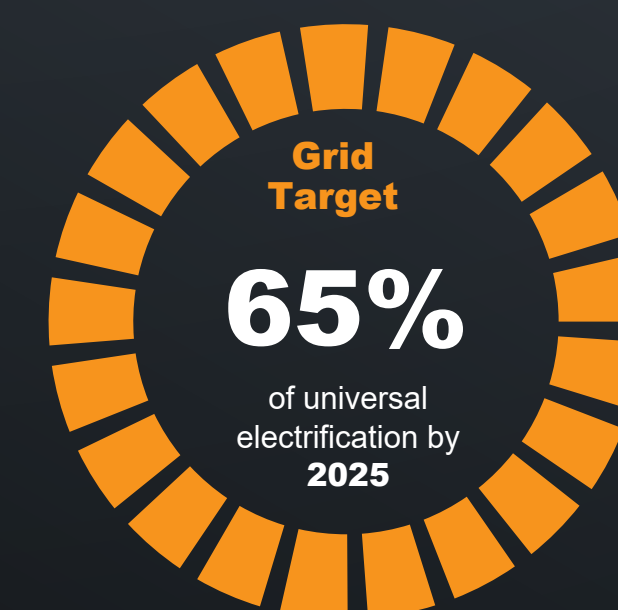
## Sales (pico & SHS(GOGLA))



**6.1%**



Mobile money use (World Bank Financial Inclusion index 2017)



**Increased access to reliable energy for poor and vulnerable people.**