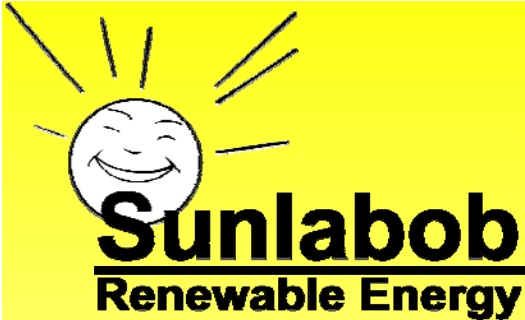


„Make electricity affordable for
remote villages through rental
systems „

By Andy Schroeter
CORE workshop, Kunming
12.1.-16.1.2004

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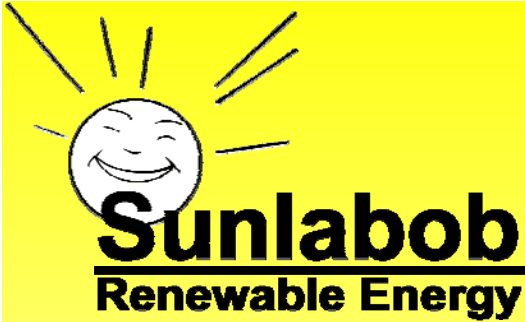


What is a rented system?

- Our „rented system“ is a Solar energy unit, which is installed on household base. The household pays for the electricity on a regular basis, while the installed equipment remains property of the provider.

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Cash-Sales vs. Rental

Property of consumer	—————>	Property of provider
Maintenance to be paid by consumer	—————>	Maintenance free of charge
Spare parts to be paid by costumer	—————>	Spare parts provided free of charge
Use only after complete payment	—————>	Use immediately after first rent paid
Size of solar unit fixed	—————>	Up/downgrading size of rented unit possible

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Advantage for villagers

- Costs of electricity are small, regular and planable
- Electricity right after the first rent paid
- No rental payments when technical failures
- High quality equipment used
- Changing system size possible
- Regular maintenance through qualified technicians assured

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Why rented system in Laos?

General:

High demand : 72% of total population no access to grid line

Grid extension financially not viable (low population density and demand)

Priority policy of the government: GoL set goal to reach 90% electrification by 2020

Specific:

Purchase capacity of rural population is low

Open access to electricity also for the poorest

Creates income generating for village technicians and service companies

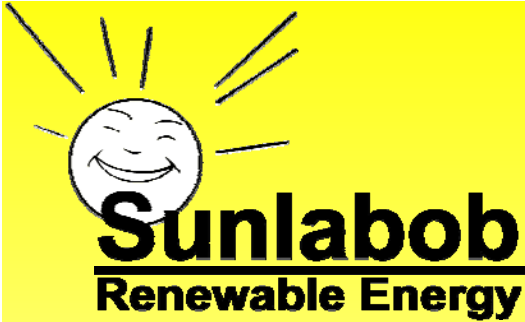
Promotes village based management and community funding

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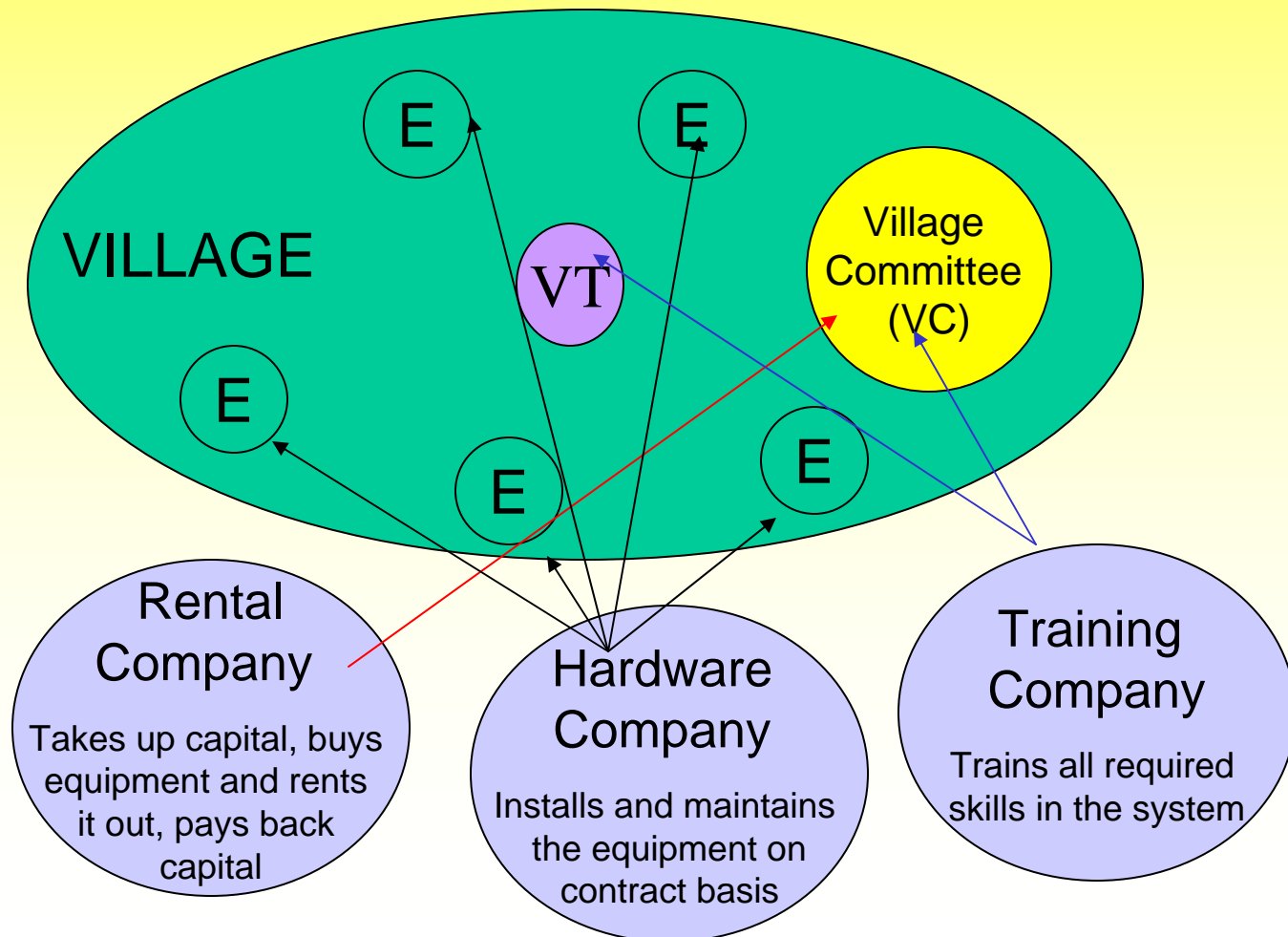


Systemic challenges in building a rental system

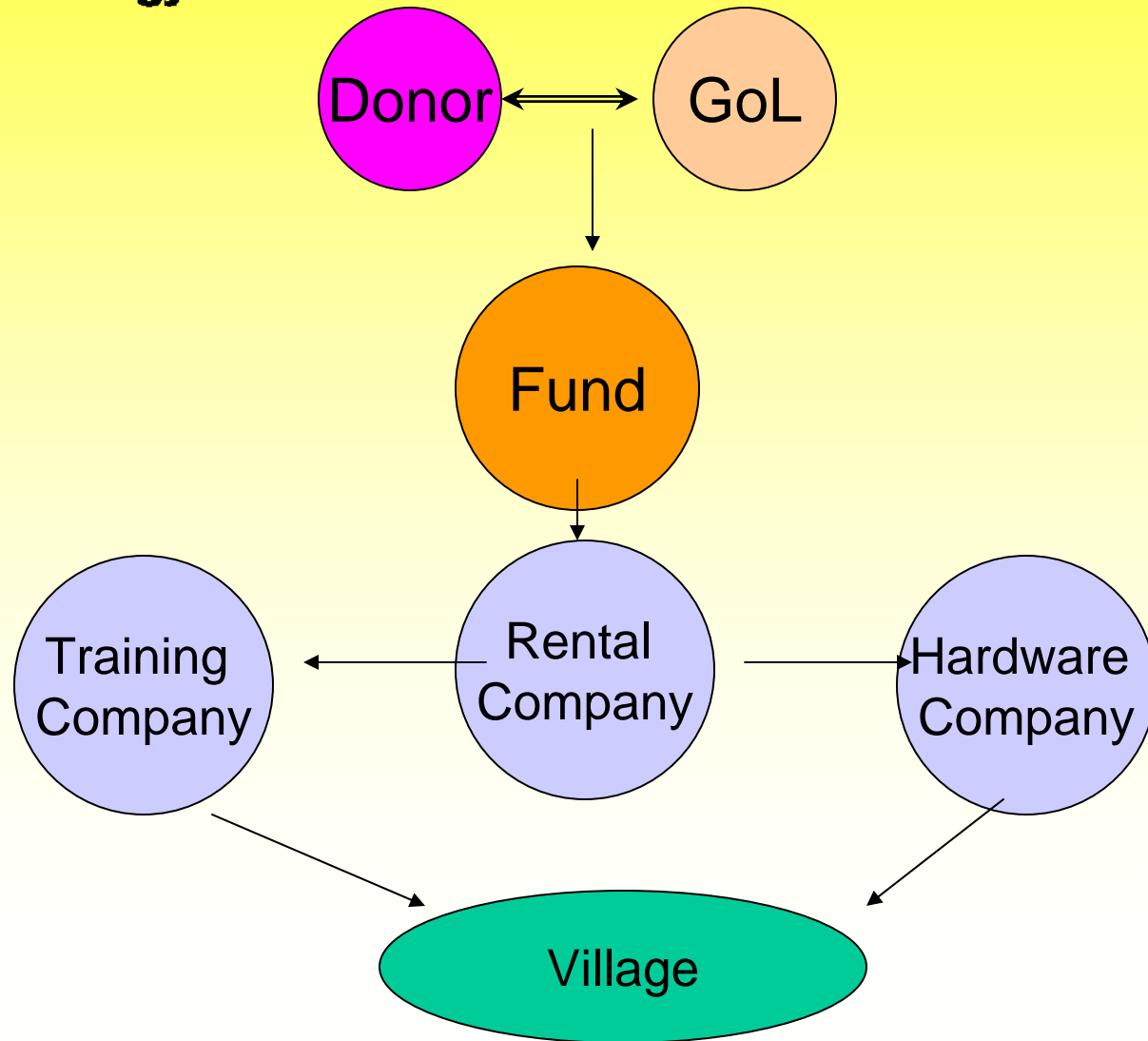
- Ensure fast and liable technical control and servicing of the widely isolated rented systems
- Ensure fast and efficient collection and forwarding of rents
- Ensure sufficient long –term capital investments for purchasing the equipment

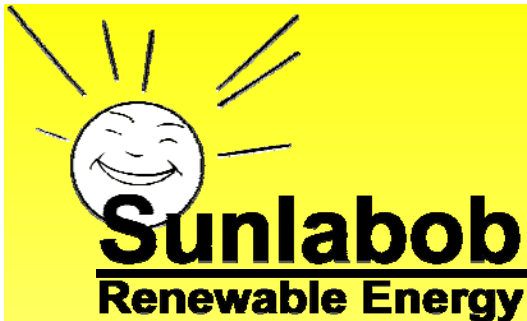
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How to organize the rental system ?



How to finance the rental system?





Rental Company

- Is an independent accounting company
- Manages the fund
- Operates the fund according to rules agreed with the village committee, the donor and the district authorities
- Buys solar systems from hardware company, and rents them out to the village committees
- Contracts a hardware company to do fast-reaction servicing
- Cooperates with training providers for training in financial management
- Collects rents from the end users
- Pays back the loan
- Involves district authorities in the whole process

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