

CONCEPT NOTE

SOLAR HEATING

WHERE: KENYA / EAST AFRICA

PARTNER: LOCAL KENYAN COMPANY

Due to the growing focus on sustainability of energy solutions, the Kenyan government put forth a law in 2012, detailing solar heating to any newly constructed building consuming more than 100 l of hot water per day. Existing buildings in the same category had until May of 2017 to comply.

In 2014 it was revealed in the media that the Kenyan power company had been installing electrical connections to buildings whether they had installed solar heating or not, although the law details that the power supply was not to be connected before solar heating was in place.

Since then the ERC (Energy Regulations Commission) has declared that it will visit construction sites and enforce the law on site.

Constructors violating the regulations face fines of 1 million Kenyan shilling and the lead contractor faces up to 1-year jail time.

Business case

Kenya has an urban housing deficit of 200.000 units and studies suggest 50 % of the country's population will live in urban settings by 2050. Approximately 27.000 housing and commercial buildings were constructed in Nairobi alone since 2012, whereas only a fraction actually adhered to the then newly implemented regulations. Nationwide 50.000 housing units pr. year are being constructed. Although not all of these fall under the category of using 100 l water pr. day, the stricter enforcement of the regulations to ensure better sustainability in the Kenyan energy sector has the potential to boost sales of solar heating equipment in the country to most large apartment structures, hotels and factories.

Expected output

Danish companies with competencies within solar heating technology have the opportunity to develop solutions suitable to meet the water heating demand in Kenya and thus helping the Kenyan government fulfil their energy policies.

Partner role

The local company will be able to facilitate access to the market by identifying potential customers and approaching these with information on the products offer, acting as a local sales agent.

Furthermore, the company has local knowledge and contacts in relation to accessing the proper authorities.