

ELEPHANT
ENERGY



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Elephant Energy and USAID partner in *Creating Digital Kerosene*

Denver, CO: Elephant Energy, a Colorado-based nonprofit, has been awarded a second-stage investment from the Development Innovation Ventures (DIV) program at the United States Agency for International Development (USAID). This \$500,000 grant will assist Elephant Energy and its partner, divi, Inc. as they increase access to solar products in off-grid markets in Namibia and Zambia in Southern Africa.

Access to energy is essential for economic livelihoods, health, safety, education, and quality of life, yet 20% of the world's population—or over 1.4 billion people—lack access to electricity. Without this basic public service, businesses must close when the sun goes down, children do not have the light they need to study after dark, and people are cut off from global news and the marketplace. Small-scale solar energy technologies—such as solar lanterns, cell phone chargers, and radios—meet the basic energy needs of off-grid households in a safer, healthier, and more economical way than traditional forms of energy like candles and kerosene.

Over the past four years, Elephant Energy has operated a distribution network which provides low-income, rural communities in Namibia with access to solar products. Elephant Energy's turnkey "hub and spoke" distribution model is comprised of centralized sales outlets in urban areas and a de-centralized network of entrepreneurs that delivers products to customers at the village level.

"People living off the grid tend to use fuel that is locally available and can be purchased cheaply in small increments, but which is dirty, inefficient, and extremely costly over time," says Elephant Energy's Executive Director, Katie Murphy. "Solar products quickly save families money after a short payback period, but the up-front investment is a barrier when you are talking about a customer base that doesn't have a lot of cash on hand. Our challenge is to put solar on par with candles and kerosene so that it is accessible to even the poorest customers."

In 2012, Elephant Energy began a partnership with divi, Inc. to address these financing challenges. Together, the organizations are developing the first pay-to-own solar lamp and cell phone charging device that is available to customers for under \$35. This innovative product uses Bluetooth and lamp-to-lamp transfer of payments to allow customers to pay off the cost of a solar product in affordable installments. For a small down payment, a customer takes home a divi product enabled with one week of use, and then pays off the remaining cost through weekly installments until the device is paid off and "unlocked" permanently. In addition to the lighting and charging services provided to end-users, divi's unique lamp-to-lamp payment feature allows the most entrepreneurial customers to become divi salespeople, generating income for their families and supporting the viral distribution of this portable product.

The Creating Digital Kerosene Project will spread access to energy in Namibia and Zambia, where the need for clean, safe, and affordable energy alternatives is both urgent and growing. In Namibia, over 85% of the rural population does not have access to electricity and in Zambia, nearly 97% of rural households lack access. USAID DIV's Stage 2 funding will support Elephant Energy's full-scale role out of divi-enabled products across a distribution network of over 100 sales agents and shops in Namibia and Southern Zambia, with the goal of lighting 16,000 homes over the next two years.

As Murphy points out, "Solar adoption is all about access: to information, to products, and to financing. Lasting solutions to the energy access problem lie not in delivering cheap, inferior quality products to off-grid customers, but in making high-quality products affordable and accessible. Pay-to-own technology has the potential to unlock this possibility, and on a global scale."

John Steininger, the founder of divi, Inc., put it simply, "People want to buy lights and they should have an affordable way to buy them."

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About Elephant Energy: Elephant Energy is a non-profit organization whose mission is to pioneer ventures that provide access to appropriate sustainable energy technologies. To learn more, visit www.elephantenergy.org, follow us on Twitter at [@ElephantSolar](https://twitter.com/ElephantSolar), or on Facebook at [Elephant Energy](https://www.facebook.com/ElephantEnergy).

About divi, Inc.: divi's pay-to-own system provides turn-key distribution and financing to partners in the field working to bring solar lighting and other life-enriching products to rural off-grid communities around the world. For more information, visit www.divipower.com.

About USAID Development Innovation Ventures (DIV): USAID's Development Innovation Ventures (DIV) is an investment platform that finds, tests, and scales new solutions to development challenges around the world. For more information, visit www.usaid.gov/div and follow us on Twitter [@DIVatUSAID](https://twitter.com/DIVatUSAID).

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