Federal Ministry
for Economic Affairs
and Energy

MITTELSTAND
GLOBAL
ENERGY SOLUTIONS
MADE IN GERMANY

PROJECT PROFILE

Financing the energy transition – One project at a time

The need for upfront capital and high cost of borrowing is a major barrier to the use of renewable energy solutions in emerging countries. With the support of German company GRIPS Energy GmbH, Igara Growers Tea Factories Ltd., Uganda's largest co-operatively-owned tea manufacturing facility, increased its energy security by installing a photovoltaic system – with no upfront payment – within the framework of the Renewable-Energy-Solutions-Programme.

Uganda's instable power grid and rising electricity tariffs are increasingly driving local companies in the commercial and industrial (C&I) sector to look at photovoltaics as an option to secure their power supply activity – without interruptions, damages to their equipment or unpredictable and high costs linked to the use of diesel generators. But access to finance remains a challenge, as credit providers are not familiar with the risk profiles associated with lending to C&I clients to install PV systems for their own use.

One such business was the Igara Growers Tea Factory Ltd, located 330 kilometres southwest of Kampala. This company, which is responsible for 10% of Uganda's total tea production, was seeking ways to reduce its reliance on grid electricity. The factory processes tea from approximately 7,000 smallholder farmers and had frequently faced power outages that disrupted production. Additionally, the high costs of operating a diesel-powered backup generator increased its production expenses.

Stephan Raulin, Head of Engineering GRIPS, in front of the PV installation

GRIPS Team at the inauguration event; From left to right: Ursula Braun, Head of Business Development, GRIPS; Stephan Raulin, Head of Engineering, GRIPS; Joshua Kwiringira, Project Engineer, GRIPS Energy; Andrew Festo Kasule, Sales Manager Uganda, GRIPS Energy; Jimena Gebelin Audi, Sales and Marketing Manager, GRIPS Energy

A one-stop shop for the switch to renewable energy

Igara found a solution with GRIPS Energy GmbH, a Berlin-based renewable energy investor and contractor, and its Ugandan subsidiary, GRIPS Energy Uganda. GRIPS develops, finances, and operates customized renewable energy solutions across West, South, and East Africa. Their technology-independent solutions as well as their financial offers are tailored to the specific needs of each customer.

Together with local EPC partner Spenomatic, GRIPS designed a bespoke technical solution for the tea farm: a 499 kWp ground-mounted photovoltaic system. This system was supplemented by an existing 725 kW diesel generator, which kicks in during power outages. An energy management system was installed to optimize the operation of the hybrid system, maximizing diesel savings while protecting the generator from damage. An internet-based monitoring system with a data logger allows remote access for monitoring and maintenance.

The financing of the system was also provided by GRIPS under a 20-year leasing agreement. During this period, GRIPS is responsible for the operation and maintenance of the system, which is carried out by a Ugandan subcontractor. Monitoring is carried out directly by GRIPS. With this offer, GRIPS aims to substitute fossil-based electricity supply with reliable, affordable and pre-financed renewables-based systems for companies in emerging markets.

A promising business model

The benefits of this offer – in effect, renewable energy as a service – are clear in countries with high solar generation potential (Uganda has an average annual production of 1,400–1,700 kWh/kWp/year, compared to 1,000–1,200 in Germany)

“The grid is not stable, and power quality is bad. This has increased our maintenance costs. The grid availability is only 80%, 20% depends on the diesel generator, which costs four times more than grid power. We looked at procuring a PV plant but could not invest enough. This is why we partnered with GRIPS; Now we are looking at saving more than 20% of our energy costs.”

Mr. Zaali, Factories Engineer, Igara

and a regulatory framework allowing for different contracting models. This is why this project – together with the German company behind it – was selected to take part in the Renewable Energy Solutions (RES) Programme of the German Energy Solutions Initiative, which helps German companies export their climate-friendly energy solutions.

As part of the RES Programme, GRIPS received support to implement activities to accelerate its market entry in Uganda. With this help, GRIPS could present its offer at Uganda's main trade fair UMA, produce marketing materials and most importantly train its local partner in the installation, operation and maintenance of PV plants.

The system was officially inaugurated in September 2024, in a ceremony attended by Raphael Magyezi, Uganda's Minister of Local Government. Representatives from the German Energy Agency dena and the German Development Agency GIZ also participated in the event. Other key speakers included Igara's CEO and its Chairman. The event also provided local institutions and potential customers the opportunity to learn about the technology's benefits and GRIPS' financing solutions.

Company Description

GRIPS Energy is a renewable energy investor and contractor (IPP/ESCO). It substitutes fossil-based electricity supply with reliable, affordable, and pre-financed renewables-based systems for companies in Africa. Its solutions are vendor neutral and technology agnostic in order to design and build power systems based on customers' specific requirements. GRIPS' mission is to deliver tailored energy solutions that empower African businesses to thrive sustainably and profitably. GRIPS is part of and supported by econnext Group, a German-Dutch industrial holding with purpose, founded to build profitable businesses around the U.N.'s Sustainable Development Goals (SDGs).

System Information	
Module type	812 JINKO Tiger Neo N-type-Bi facial Panels with 615 Wp
Installed nominal power	499 kWp
Annual yield	854 MWh
Inverter type	GOODWE inverters, module GW100K-HT

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