

Strengthening Inclusive Business Ecosystems

Experience from Senegal in Solar Energy

Paris, July 12 2017



Credit photo: El Hadji DIOP

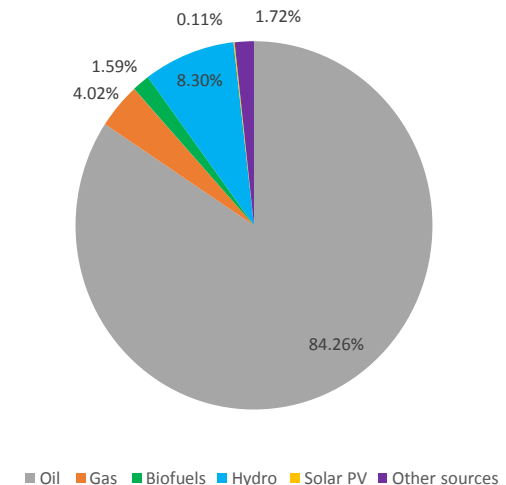
Mission Innovation Challenge
Off-grid Access to Electricity

PLATEFORME:

**Initiative Ecosystème des Entreprises Inclusives
du secteur de l'Energie Solaire au Sénégal
“IEEIES”**

The solar energy in Senegal

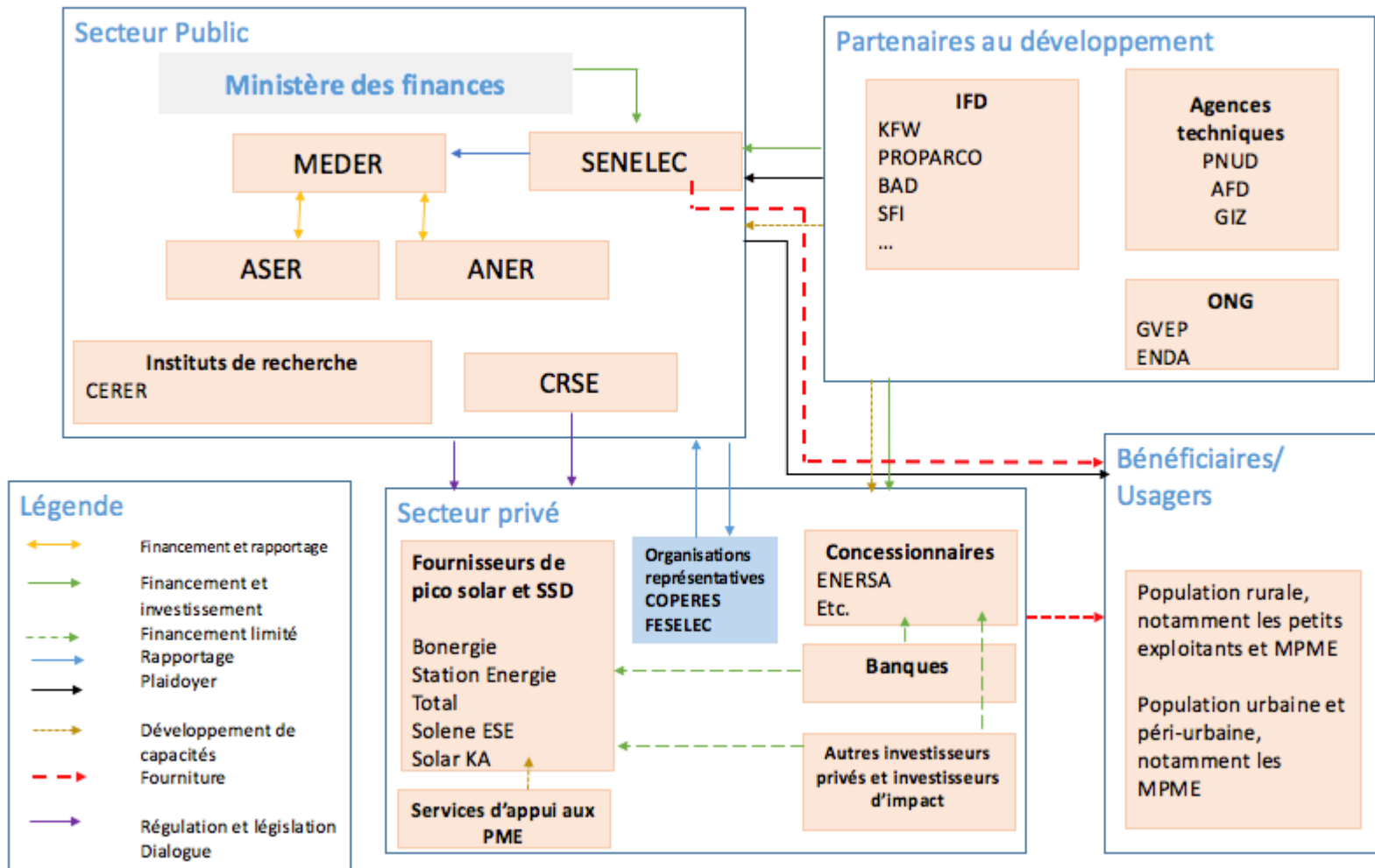
- Energy is a prominent part of Senegal's development plan
- **Electricity access rates is only 32%** in rural areas (more than 85% in urban areas) where more than 50 % of the population lives
- Senegal is blessed with a good potential for renewable energy, solar energy in particular. Irradiation 5.5 kWh/m²/ day
- The sector of renewable energies in general, and solar energy in particular, still plays a marginal role as a subsector of the electricity sector in Senegal
- **Senegal's solar energy market presents clear potential for growth and inclusivity**



Sources of electricity production in Senegal in 2013

World Bank, 2016, Doing Business 2016,

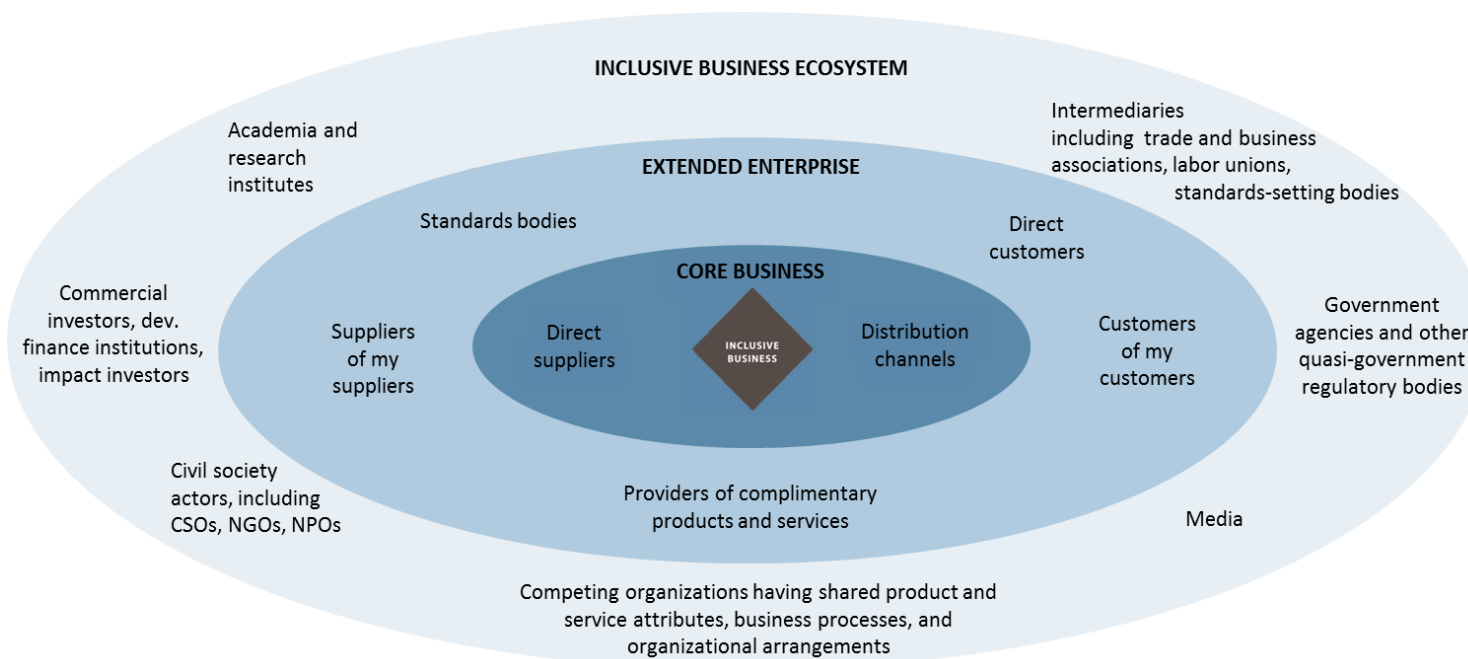
IBE mapping – stakeholders map



Simplified flowchart of Senegal's solar energy stakeholder map


Like species, businesses depend on supportive “ecosystems”

- Introduced in a McKinsey Award-winning Harvard Business Review article, the term “business ecosystem” refers to **the community of interconnected, interdependent players whose actions determine whether or not a company's inclusive business model will succeed.**
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Source: Gradl and Jenkins (2011) tackling barriers to Scale: from Inclusive Business Models to inclusive Business Ecosystems

Gap analysis of the IBE along the 4 Is of the ecosystem diamond



Information provides businesses with the awareness, knowledge, technology and know-how required to operate in low-income markets



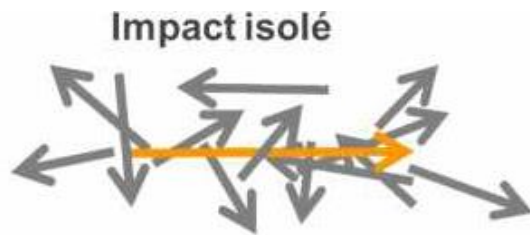
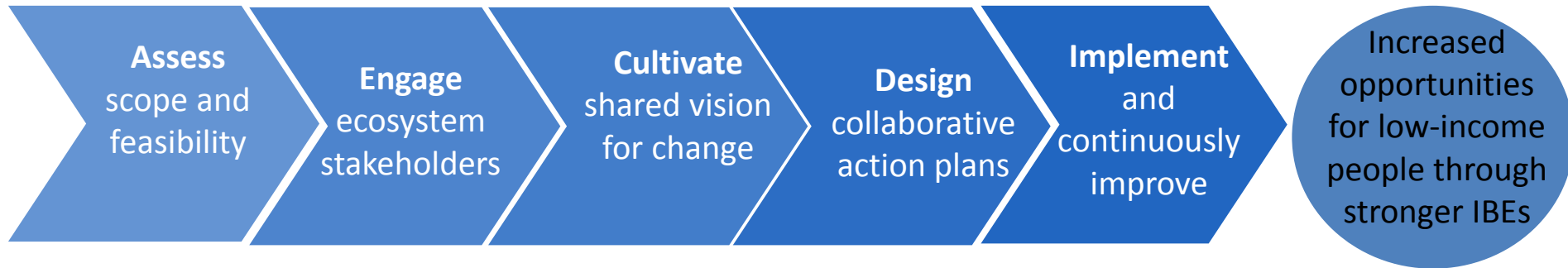
Incentives provide businesses with the impetus to engage with low-income communities by rewarding positive externalities and reducing the cost of doing business



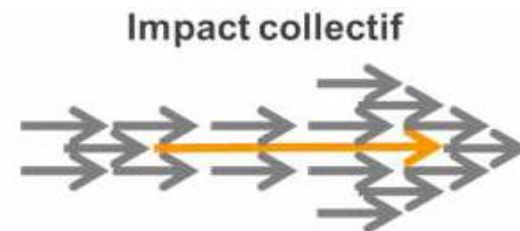
Investment provides the financial backing that enables businesses to venture into challenging low-income markets

Implementation support provides the logistics, transaction, marketing and communication, and micro-business support services that allow IBs to function in a variety of dynamic environments

IBEs Strengthening and Collective impact as an approach for solving complex problems



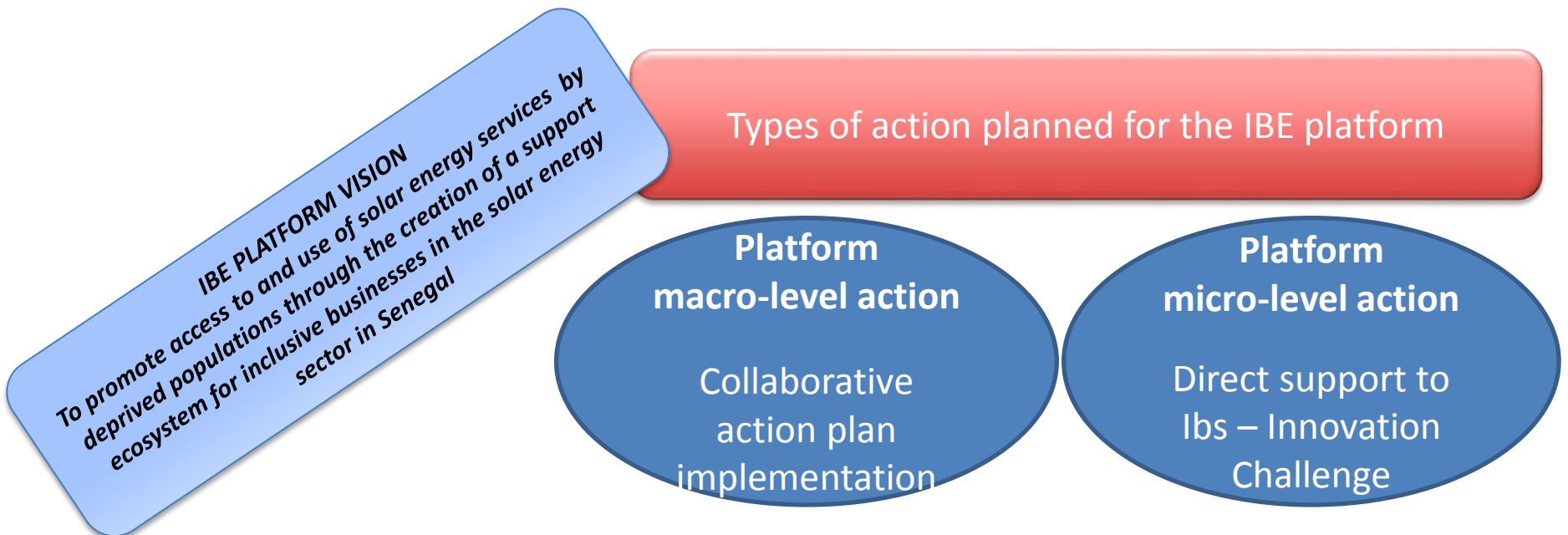
Organization acting alone



Organization working with others

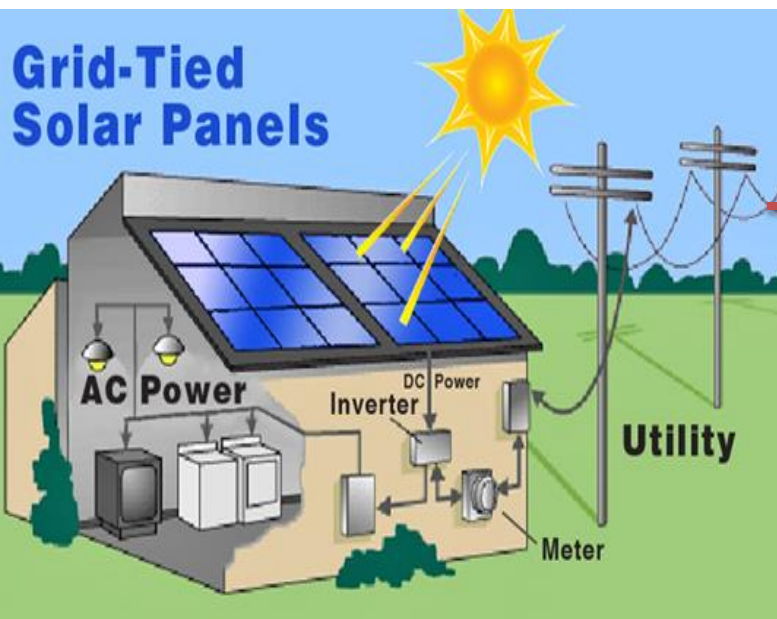
IBE platform facilitation

- Platform facilitator hired
- Mapping validated
- Platform vision, statutes and collaborative action plan prepared jointly and validated. Signature on April 28, 2017.
- General Assembly of the platform on July 27, 2017
- Lunch of the Innovation Challenge Call on July 2017



Area	Type of intervention	Proposed Leading Actor(s)	Comments
Incentives	Review the current system of tax exemptions	Ministry of Finance	Create a level playing field for formal sector companies and protect them from being companies providing low-cost and low-quality products.
	Develop mechanisms for quality assurance of solar energy products	MEDER - CERER	Develop a highly reliable compensation mechanism that meets the conditions of international banks to enable companies to have access to international investments.
	Review regulatory framework for the rural electrification	MEDER	
	Define a feed-in tariff	CRSE	A feed-in tariff model similar to the EEG in Germany enabling private house owners to install solar PV systems on their roofs and inject the generated electricity into the national grid

Extract from the Recommendation section – a precursor to the Platform Collaborative Action Plan



- Energy excess is injected by the sponsor into distribution system, where it is available for a low income customer chosen like a parent or friend or someone else
- No monetary payments to customer-generators (sponsor).
- Billing mechanism to encourage grid-connected renewable self-generation. Cost reduction for the grid provider
- Credit is “netted off” against electricity consumption of a “parrain”

MORE SOLIDARITY IN PRAXIS

MERCI / THANK YOU

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