Strengthening Inclusive Business Ecosystems
Experience from Senegal in Solar Energy

Mission Innovation Challenge
Off-grid Access to Electricity

Paris, July 12 2017

Credit photo: El Hadji DIOP

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.

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

Assess scope and feasibility
Engage ecosystem stakeholders
Cultivate shared vision for change
Design collaborative action plans
Implement and continuously improve

Increased opportunities for low-income people through stronger IBEs

Impact isolé
Organization acting alone

Impact collectif
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

Types of action planned for the IBE platform

Platform macro-level action
- Collaborative action plan implementation

Platform micro-level action
- Direct support to Ibs – Innovation Challenge
### MACRO-LEVEL ACTION

<table>
<thead>
<tr>
<th>Area</th>
<th>Type of intervention</th>
<th>Proposed Leading Actor(s)</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incentives</td>
<td>Review the current system of tax exemptions</td>
<td>Ministry of Finance</td>
<td>Create a level playing field for formal sector companies and protect them from being companies providing low-cost and low-quality products.</td>
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<td></td>
<td>Develop mechanisms for quality assurance of solar energy products</td>
<td>MEDER - CERER</td>
<td>Develop a highly reliable compensation mechanism that meets the conditions of international banks to enable companies to have access to international investments.</td>
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<td></td>
<td>Review regulatory framework for the rural electrification</td>
<td>MEDER</td>
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<td></td>
<td>Define a feed-in tariff</td>
<td>CRSE</td>
<td>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</td>
</tr>
</tbody>
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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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