

Power out of Poverty Partnership

Aligning stakeholder objectives for rapid market transformation

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Efficient Lighting
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SNV

SMART DEVELOPMENT WORKS

SNV – International



SNV Benin – 43 years

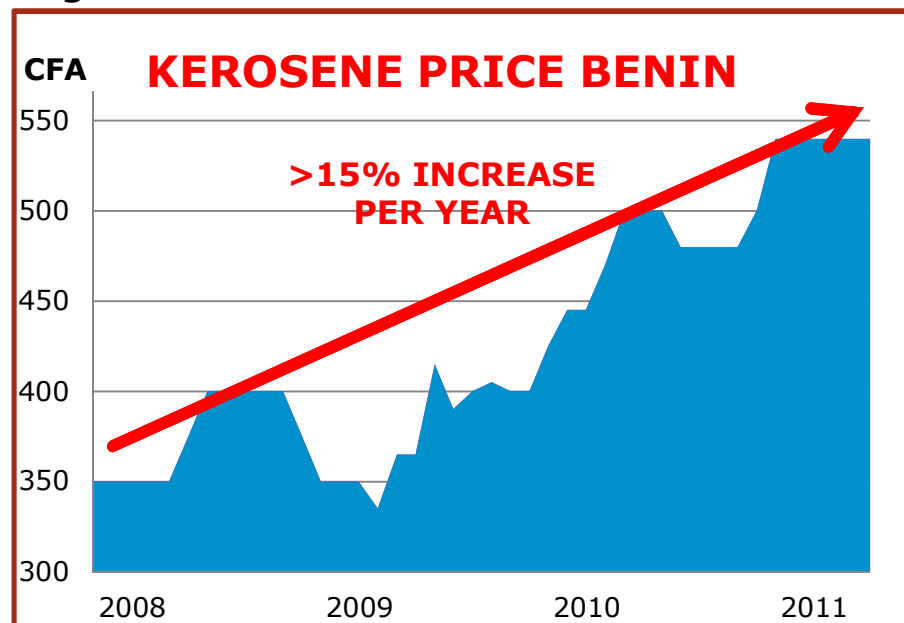
Renewable Energy Program initiated in 2009

- 2009 onwards: domestic biogas
- 2012 onwards: pico-solar
- Future: biomass energy from agricultural residues



Pico-Solar Power – why?

- Over 6.5 million people in Benin have no access to electricity
 - 72% of the population are off-grid
 - 96% in rural areas
- 315 million Euro of kerosene bought in 2010
- Average household expenditure on energy products is 12 Euro/mth
- Cost of quality pico-solar technologies in Benin:
 - 1 lamp and phone charger = 20 Euro
 - 4 lamp, radio plug, phone charger = 80 Euro
- Payback periods on pico-solar investments are 3 to 6 months



Demand Side Drivers... are Changing

- Access to electric lighting... **long-standing**
- Growing expenditure on fuels... **increasing**
- Reliable and cheap phone charging options... **NEW!**

Access to power vs mobile phones

	2005	2011
Access to grid electricity	23%	28%
Mobile phone subscriptions	8%	80%

"There is no substitute for electricity when it comes to using a mobile phone"

Aligning Objectives

- **SNV:** access to modern energy improves quality of life. In Benin, solar power represents the greatest opportunity to quickly bring electricity to off-grid people. It is cheaper, safer and greener than kerosene and disposable batteries it replaces.
- **MTN:** increasing access to electricity in rural areas increases the customer base and profits. By associating the MTN brand with modern solar power, MTN can capitalise in these new markets. Financial, social and environmental returns is ultimately good for business!

A Partnership Solution

- The **MTN Solar Cart**
- A visible example of solar power at work at village level associated with MTN brand
- Capitalises on the distribution networks of MTN that already penetrate rural areas
- Expanded business opportunity for MTN agents who are already selling technology products at village level
- MTN will support product distribution
- SNV provide technical training and link MTN agents to solar companies
- A number of key market challenges addressed simultaneously



Expanding the Partnership

- **Government** – ABERME import duty exemption
 - Loi no. 2007-33 Portant Loi de Finances 2008, Article 17
Les équipements et matériels importés ou acquis en République du Bénin destinés aux projets d'électrification rurale sont en régime d'exonération des droits et taxes de douane et de la taxe sur la valeur ajoutée (TVA). Toutefois, ils restent assujettis aux droits et taxes en vigueur suivants :
 - prélèvement communautaire de solidarité (PCS) ;
 - prélèvement communautaire (PC) ;
 - taxe de statistique (T. STAT).
- **Donors** – GIZ/EnDev, Results Based Financing
 - 4 year financial incentive mechanism that rewards solar companies for every product sold with an ex-post payment
- **Financial institutions** – FAGACE, FECECAM, others
 - Guarantee financing for local MFI's to finance the village entrepreneur distribution network
 - Capital financing for solar importers

Expected Results

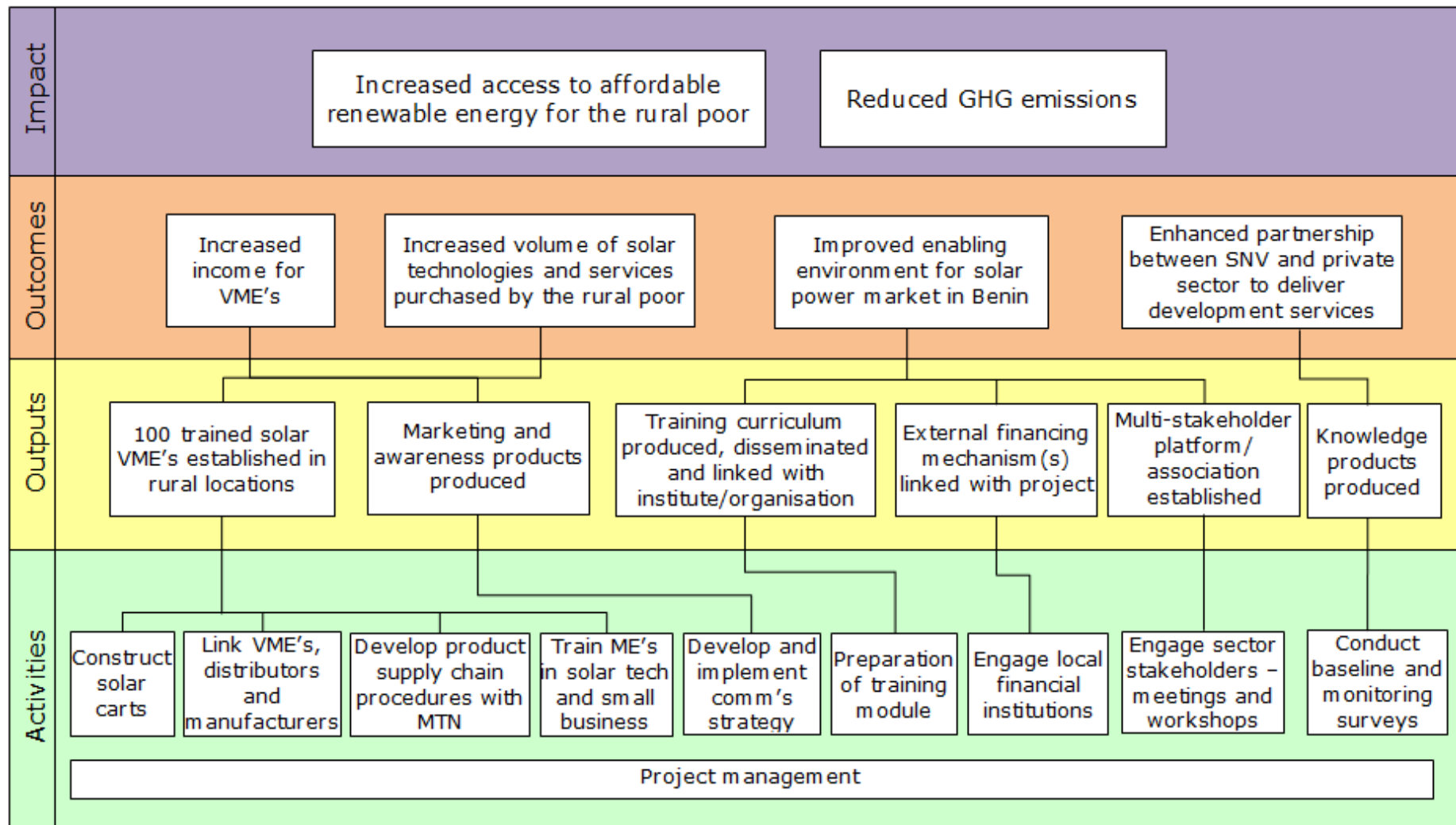
Indicator	Target
Number of pico solar systems sold	60,000 systems
Number of village micro-entrepreneurs established	100
New income generated per micro-entrepreneur	4,000 Euro/yr
GHG emissions avoided	TBD

Thank you



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Intervention Logic



VME's = village micro-entrepreneurs

GHG = greenhouse gas