

## OPPORTUNITIES AND TRENDS BRIEF

February 2021

# Senegal: With adequate support, stand-alone solar could address illegal migration and youth unemployment

6m

Unelectrified Population<sup>1</sup>

16.2m



Total Population<sup>2</sup>



82

People per km<sup>2</sup>  
Population Density

44



out of

100

Framework for Stand-alone Systems Score

Regulatory Indicators for Sustainable Energy (RISE)<sup>3</sup>

79

out of

100

PAYG Market Attractiveness Index (Score)<sup>4</sup>

2025



Government target for universal electrification

123

out of

190



Ease of doing business rank<sup>5</sup>



7

Donor Programmes supporting the SAS



There is a significant disparity between rates of access in **urban (94%)** and **rural (44%)** areas.<sup>6</sup>



Off-grid solar sales totaled **17,000 units** between January and June 2020, a **41% drop** compared to the same period in 2019. The decrease was mainly on cash sales, while Pay-As-You-Go (PAYG), sales remained stable with **13,000 sales** recorded in the first half of 2020.



### About ten leading SAS companies

have partnered with microfinance institutions to increase energy access and enhance affordability for consumers.



Senegal is considered a **regional hub** for stand-alone solar in Francophone West Africa.<sup>7</sup>

**In 2020, the Government of Senegal exempted solar products from VAT (18%),**

to increase access to renewable energy in rural areas.

### There is commercial investment for off-grid solar from the Green Climate Fund

channeled through the Energy Access Relief Facility (USD 30 million), and the National Rural Electrification Agency (-Agence Sénégalaise d'Électrification Rurale, (USD 50 million), local SAS companies stand to benefit from these facilities. In November 2020, the Professional Council of Renewable Energies in Senegal (Conseil Patronal des Energies Renouvelables du Sénégal – COPERES), signed a Memorandum of Understanding with the Green Climate Fund accredited La Banque Agricole to develop green loan products<sup>8</sup>.

## The challenges affecting SAS are:



The COVID-19 pandemic slowed economic growth to an estimated 1.3% percent in 2020.



Low consumer awareness of SAS solutions and their benefits



Prevalence of low-quality SAS leading to market spoilage



Inconsistencies in off-grid rural electrification strategies

## There is an opportunity for SAS to address the challenges of illegal migration, youth unemployment, gender inequality and poverty.

### This can be accelerated by:



Developing programmes that integrate productive use SAS to address youth unemployment and illegal migration.



Support to the Ministry of Petroleum and Energy, and Ministry of Gender to implement the Gender Action Plan that will lead to improved energy access for vulnerable communities.



Enhanced consumer financing options that build on the existing success with PAYG and microfinance institutions.



Adoption and enforcement of quality standards to improve perception of SAS solution in off-grid areas



The effective implementation of VAT exemption on SAS

## In conclusion

The COVID-19 pandemic has brought to the fore the importance of SAS solutions as essential services for vulnerable groups in the country. Adequate support from government and development partners will ensure that SAS not only provides energy access but alleviates unemployment and migration challenges.

## References

<sup>1</sup>IEA (2019) Africa Energy Outlook

<sup>2</sup>World Bank (2019)

<sup>3</sup>ESMAP (2020) Regulatory Indicators for Sustainable Energy (RISE)

<sup>4</sup>Lighting Global (2019) PAYG Market Attractiveness Index

<sup>5</sup>World Bank (2020) Doing Business

<sup>6</sup>World Bank (2020) World Development Indicators

<sup>7</sup>Power Africa (2019) Off-grid solar market assessment – Senegal

<sup>8</sup>Senenvironment (2020) Fond vert climat – Convention de partenariat entre LBA et Le COPERES