

Senegal

Introduction

This note was developed by Global Off-Grid Lighting Association (GONGLA) with the support of the World Bank Group Lighting Global Program, the Energy Sector Management Assistance Program (ESMAP), the Shell Foundation, USAID, Power Africa, the UK Department for International Development (DFID) and Sustainable Energy for All (SEforAll). It is part of a series of briefing notes that provide a high-level overview of the status of different countries' off-grid solar markets, as well as relevant policies and programs¹.

Key statistics^{2&3}

Demographics

| | |
|--|-------------|
| Total Population | 15,854,360 |
| Population Density per km ² | 82 |
| GDP per Capita | USD 1,522.0 |
| GDP Growth | 6.8% |

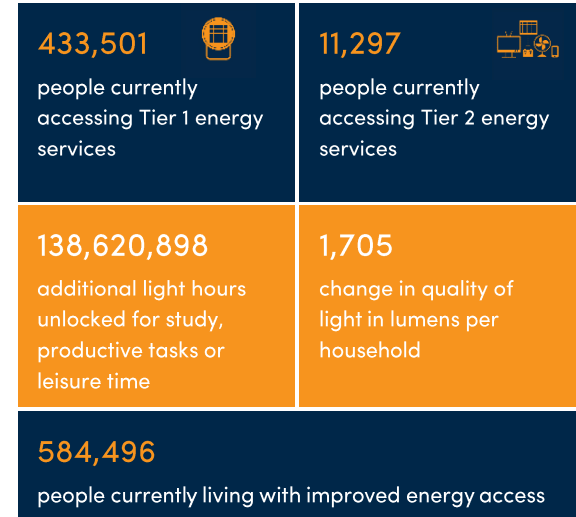
Energy Access Deficit

| | |
|--|------------------------|
| National Electrification Rate | 61.7% |
| Urban Electrification Rate | 91.7% |
| Rural Electrification Rate | 35.4% |
| Number of households without power | 1.1 million |
| % of quality-verified ⁴ (QV) vs non-QV products in the market ^{5&6} (H1, 2019) | QV: 76% Non-QV: 24% |

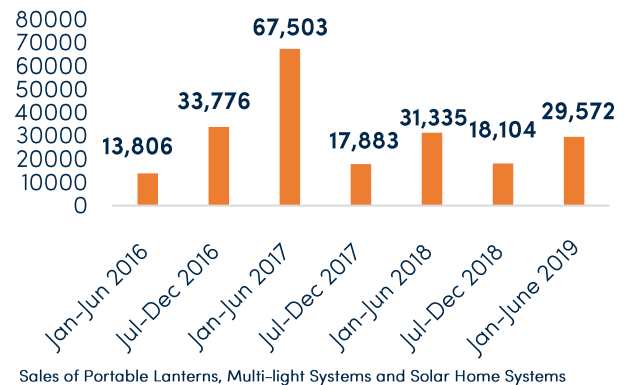
Electrification Planning

| | |
|--------------------------------------|--------------------------|
| Electrification Targets ⁷ | Universal access by 2025 |
|--------------------------------------|--------------------------|

Impact⁸



Sales⁹



¹ The information and views expressed in this brief are GONGLA's alone and are based on our current understanding of the policy situation in this country. We welcome any updates, revisions or clarifications at info@gogla.org.

² <https://data.worldbank.org/>

³ <https://www.usaid.gov/powerafrica>

⁴ Quality-verified products are tested according to the Lighting Global Quality Standards. For more information please see the [Lighting Global Quality Assurance Program](#).

⁵ Share of quality-verified (QV) and non-QV sold by GONGLA and Lighting Global affiliates.

⁶ Data on a specific region, country or product category is only included when it has satisfied the three-data point rule, meaning that at least three separate product manufacturers have reported data for any single data point. When we have fewer than three responses for a region, country or product category, no results are shown to protect the proprietary interests of the companies who have supplied data in support of this industry report.

⁷ Plan Actions National d'Efficacité Énergétique (PANEE). Senegal (Période 2015-2020/30), CEREEEC, 2015

⁸ Impact numbers have been estimated by plugging the most recent sales data into the [Standardized Impact Metrics for the Off-Grid Solar Energy Sector](#). The reported estimates differ from the previous edition of the country briefings due to the use of a smaller, yet more consistent and recent dataset, considering only products sold by GONGLA members and Lighting Global affiliates since 2016. Note that while the numbers shown represent the aggregate impact of key players in the off-grid solar sector, these estimates do not present the full global impact of off-grid solar lighting products sold.

⁹ All sales data included in this briefing is derived from the "Global Off-Grid Solar Market Report Database", result of a joint primary data collection effort carried out by GONGLA in partnership with IFC Lighting Global and the Efficiency for Access Coalition. The public version of the resulting report of the effort is available [here](#).

Current Status

The Government of Senegal aims to achieve universal energy access by 2025 and it has prioritised the energy sector and increasing electricity access in rural areas in its Plan Sénégal Emergent. The need for reliable off-grid lighting and energy is high with roughly 35% of the rural population having access to electricity¹⁰. A new electrification policy is expected with the newly elected government in place. In late 2018, the Government of Senegal, together with ECREEE/ROGEP and GIZ support, created a committee tasked with integrating off-grid solar into its official electrification framework. The committee plans to focus on tax issues and quality of off-grid products¹¹.

The country's rural electrification strategy is largely determined by allocation of grid and mini-grid concessions to either the state utility (SENELEC) or private companies. Senegal Rural Electrification Agency (ASER) has been authorised to establish the rural electrification agenda¹².

Attracted by the stable political environment, several established solar PV companies are now operating in Senegal, using both cash sales and pay-as-you-go business models. Distributors are actively selling Lighting Global quality-verified products from a broad range of manufacturers. For these companies to grow rapidly, they must fund an ever-increasing amount of stock in the supply chain and invest heavily in building distribution capacity to reach and serve new customers. Key regulatory challenges include high taxes on imported solar products and components as well as managing mobile payment systems.

Promoting Quality & E-Waste Management

Senegal currently has no mandatory standards in place for off-grid solar products. Quality standards (designed in 1993) are in place but not

followed or enforced. However, as part of the Economic Community of West African States (ECOWAS) through ECREEE/ROGEP, Senegal is likely to adopt national standards that are harmonized with the IEC/Lighting Global quality standards in the near future¹³.

Taxation

Solar products are subject to sales tax and import duty equivalent to approximately 22.9% import duty, plus VAT 18%. Since late 2018, the Ministry of Finance has conducted studies to introduce VAT exemptions of Solar Home Systems in the General Tax Code.

Investments

Few private companies and their investors have invested heavily in building off-grid solar businesses in Senegal. Given the size of the underserved population, there is still a significant need for access to finance. Key financial barriers include a lack of access to equity, rather than debt. Also, collateral can be very difficult for rural population

Sector Support Programs

Senegal is part of the Regional Off-Grid Electrification Project (ROGEP), funded by the World Bank Group. ROGEP is designed to help achieving the ECOWAS renewable energy targets and increase the share of renewable energy in the electricity mix.

Opportunities and Barriers

According to the Solar Market Assessment report for Senegal which assesses the market opportunity for off-grid solar products and systems by estimating demand from the households, institutions and productive use sectors in Senegal, there is a significant market opportunity for off-grid solar. The annualised cash market potential in 2018 is estimated to be USD 74.5 million. The productive use sector (USD

¹⁰ Senegal, Lighting Africa, 2019

¹¹ http://www.ecreee.org/sites/default/files/event-att/greenmax_ecreee_rogop_regional_workshop.pdf

¹² DfID Africa Clean Energy (Ace) Programme – Executive Summary – March 2019

¹³ DfID Africa Clean Energy (Ace) Programme – Executive Summary – March 2019

52 million) makes up the majority of the estimated demand, followed by the households (USD 16 million), and institutional (USD 6.5 million), sectors¹⁴.

The establishment of the National Consultation Framework for off-grid electrification created by the Ministry of Energy provides many opportunities for off-grid sector development in Senegal, such as targeted concessional finance and technical assistance for companies, and the creation of quality standards.

In terms of barriers, tax has a major impact on affordability. VAT, which is imposed on top of all fees and margins, is a bigger obstacle than duty. Companies often must hedge for the worst-case scenarios, which remains a major barrier to trade. Stakeholders are both the Treasury and Customs. More also needs to be done to promote quality in the market and address the risk of market spoilage.

Further Information

- [Plan Actions National d'Efficacité Energétique \(PANEE\), Senegal, Période \(2015-2020/2030\), PEEC, 2015.](#)
- [Plan d'Actions National des Energies Renouvelables \(PANER\), Senegal, Période \(2015-2020/2030\), PERC, 2015](#)
- [Senegal, Country Fact Sheet, Power Africa, 2018](#)

¹⁴ [Off-Grid Solar Market Assessment Senegal, Power Africa Off-Grid Project, October 2019.](#)