



An Insight on Green Rural Entrepreneurship: Success Factors

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The Proposition

Access to energy is a trigger for rural development – Success stories across the world.

Green rural enterprises (GRE) in the energy sector as a vehicle for rural development

SDG 7: Energy for All – Specific emphasis on clean, affordable, reliable.

Country's individual commitment to SDG 7 - platform for enabling policy environment and in country finance and investment for GREs.

World's commitment to SDGs – multilateral / bilateral funding opportunities for launching the concept.

GREs for Energy Services



Cooking –
Household,
Community

- Construction/installation/sale of improved solid biomass cook stoves
- Construction/operation/servicing of biogas plants

Lighting –
Household,
Community

- Assembly and sale of solar LED lights/lighting systems
- Renting out solar charged portable lights

GREs for Energy Services



Basic amenities
through access to
electricity

- Solar/Wind/Biomass gasifier based minigrid
- Solar charging station for batteries to run various home/small enterprise appliances

Productive uses of
renewable energy

- Solar drying and packaging of agri/fishery/animal husbandry produce
- Solar/Wind/Biomass powered processing of agri/fishery/animal husbandry produce

A Phase-wise Approach



Study successful models of rural RE as well as GRE (energy services) in ESCWA region.

Identify focus countries for pilot – Lacking access to conventional energy, significant level of rural poverty.

Phase 1: Countries where some RE focus already exists thorough government and/or donor driven activities.

Phase 2: Countries with no previous foundation of RE.

Phase 2 Countries: Creation of GREC and promotion of GREs, based on lessons learned from Phase 1 countries.

Phase 1 countries: GRECs become active, several GREs providing RE based energy services are created and nurtured.

Phase 1 countries: Create Green Rural Entrepreneurship Centre (GREC) in target countries - an institutional structure for training and mentoring GREs .

GREC and its Functions



- An institutional set up to own the Green Rural Entrepreneurship creation activity in the country.
- Ideally – partnership between government departments (industry/commerce/rural development) and academic institutes (technical/management/business studies).
- Basic infrastructure required to localize technologies through R&D with working demonstrations, business mock-ups for hands on training in both technology and business administration. Residential facilities for trainees, trainers, visitors, researchers, staff.
- Close collaboration with
 - Rural based GOs and NGOs
 - Banking and financing institutions, microcredit societies, angel investors, etc.
 - In country private sector already active in RE or related fields
 - Technology experts and hardware suppliers, within the country and outside.

GREC Tasks (Proposed)



Energy service needs assessment of rural areas, Identifying technology experts and hardware suppliers across the world that can help meet those needs.

Develop business plans and business management tools for energy service focused GREs.

Mediate tie ups of hardware suppliers , and technology experts with in-country private sector entities, properly addressing IP concerns.

Localisation of technologies, where required, in collaboration with technology experts and the in-country private partners.

Development of training modules and setting up hands on training infrastructure.

Selection of first batch of trainees with support from rural GOs and NGOs – Special efforts to identify and motivate women as potential GREs.

Residential training – hands on with technologies, business management skills.

Mentoring of GREs in their area – local GOs and NGOs + extension staff of GREC.

Work with banking system to develop financing options for GREs.

GREC continues to train new GREs, incorporating learnings from already established enterprises. Refresher trainings offered to existing GREs on need basis.



Critical Factors For Success

- Creation of an in country institutional mechanism focused of GREs to ensure long term mentoring, periodic training and re-training in both technological and management aspects, etc.
- Agreements between hardware and/or know how suppliers and in country business houses, to ensure long term knowledge and hardware support.
- Commitment from in country private sector entities to continue to work with the technology providers and GREs, in the long term.
- Policy incentives and financial safety nets for both the supporting private entities and the GREs.

Critical Factors For Success



- Involvement of business/entrepreneurship experts in developing business plans as well as simple business management tools for GREs.
- **Careful selection of individuals to nurture into GREs –special efforts to encourage women, selection of trainees based on ability and inclination – local GO and NGOs have a critical role to play.**
- Financial assistance schemes tailored to the needs of GREs – seed funding for capital investment, revolving funding for operational costs, access to carbon finance or any other development and/or environment focused financial instruments, working capital loans, microcredit facility for customers, etc.

Critical Factors For Success



- In case of GREs providing products/services with potential market outside their own rural setting, supply chain logistic support, marketing opportunities through exhibitions, publicity, etc., will also have to be provided initially.
- A large number of potential entrepreneurs spread across the rural areas of the country should be trained, and nurtured. Some of the trainees will evolve as entrepreneurs, and others may end up working for them. These type of collaborative arrangements need to be encouraged.
- Looking ahead: The same infrastructure can be used for encouraging rural entrepreneurship in other sectors contributing to livelihood generation, and improving quality of life of rural populations.

Proposed Target Countries... Role Model



Morocco

- To study as a success story of near 100% rural electrification, with important contribution of decentralised RE.
- National focus on increasing RE component in total energy use to 42% by 2020.

Proposed Target Countries... Phase 1



Jordan

- 7 million pop, with more than 1 million people rural.
- Nearly 20% rural pop is poor.
- No conventional energy resources.
- **Presence of a Green Help Desk and other RE focused projects**

Lebanon

- 5 million pop, with about 0.55 million people rural.
- Nearly 50% rural pop is poor.
- Limited own energy resources, except hydropower.
- **Presence of a Green Help Desk and other RE focused projects**

Proposed Target Countries... Phase 2



Mauritania

- 4 million pop, with about 1.6 million people rural.
- Nearly 60% rural pop is poor.
- Very limited conventional energy resources.

Sudan

- 39 million pop, with about 26 million people rural.
- More than 65% rural pop is poor.
- Limited conventional energy resources after separation from South Sudan.



Do these numbers make sense?

- After **1-2 years** of full fledged operations by a GREC in a country:
 - About **50-100** individuals including at least **30% women**, provided training.
 - At least **10 GREs** successfully established and attained financial stability, at least **10%** of which would be **woman-led** ventures.



Feedback?

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