



SELCO INCUBATION CENTER Evaluation - Summary

PRESENTATION OUTLINE

- The Evolution – Vision, Mission, etc.
- The Approach
- Findings of the Evaluation
- Key Lessons from the Evaluation
- Moving forward

THE VISION

To move towards a world where energy access is no longer a challenge by helping create thousands of energy enterprises providing affordable, reliable, appropriate and sustainable energy solutions, thereby enabling the poor to break generational chains of poverty and lead lives of respect, dignity, and opportunity.

THE MISSION

Incubate and Support energy enterprises by:

- Adapting and Replicating and processes (and where relevant models) that were successful in SELCO
- Providing mentoring and business planning support
- Helping create the ecosystem required for the enterprise to grow and thrive
- Enabling access to seed and later stage capital
- Establishing a platform for networking, sharing of best practices, common sourcing , etc

THE APPROACH



FINDINGS FROM THE EVALUATION

Relevance

- With the lack of institutions/enterprises being one of the primary reasons for energy access continuing to be a challenge, and with social energy enterprises having proved to be highly successful in providing for energy needs of poor communities at the BoP, SICSA's offering highly relevant.

Effectiveness

- Partially effective as only 3 enterprises against a target of 5, could implement their business plans during the project tenure. 2 out of the 3 raised investments.
- Objective has only been delayed and can be achieved by SICSA. SICSA underestimated the time required to imbibe the business philosophy and reach a level of operation that would make the business sustainable and attract investment.

Efficiency

- No precedent to judge the efficiency of the project but compared to other social business incubation initiatives, the project can be described as a success.
- SICSA has shown a very efficient use and leverage of funds received from the donors.

FINDINGS FROM THE EVALUATION CONTD.

Impact

- Significant social impact. 13 medium and 88 small scale entrepreneurs supported. The project resulted in 33,889 homes across 8 states being lit with clean energy; 371 bankers have been made aware of clean energy financing. Provided direct employment to 59 rural youth and offset 4,924 tonnes of CO₂ over the project period.

Sustainability

- SICSA was able to arrange the required co-funding during the project period and has also received funding from the existing and new funders for the next 2 years.

KEY LEARNING

- A holistic solution approach to incubation, looking at the development of both the enterprise and the ecosystem that the enterprise operates in, is crucial to developing entrepreneurship at the BoP.
- Social entrepreneurship at the BoP is usually undertaken by first generation entrepreneurs. SICSA approach to incubation, starting from the field exposure to familiarise the aspiring entrepreneurs into the functions of the business to providing a support shadow team to help the entrepreneur set up the business and build it, increases the chance of success
- Incubatees have identified developing sector specific knowledge and associated networking with other stakeholders in the sector as a key need. SICSA's association with SELCO has resulted in the incubatees being able to achieve both these, thereby increasing their chances of success.

KEY LEARNING CONTD.

- Access to enterprise financing, including working capital, is a key requirement for success. New entrepreneurs lack credibility in the eyes of the financial institutions, suppliers, investors, etc. to access this crucial resource.
- First generation entrepreneurs, intending to work at the BoP, require a longer period of time to develop the confidence to take the plunge and once they have taken the plunge required a lot of handholding and support to set up the business and build it.
- Enterprises at the BoP need to constantly innovate to be relevant. However, most entrepreneurs do not have the time, financial resources and technical expertise for this. This needs to be taken care of by the incubator during the initial stages of the enterprise.
- Peer learning and learning from the experiences of fellow entrepreneurs needs to be formally established in the incubation process.

WHAT WILL WORK

- An intensive selection process
- Induction and Immersion process
- The eco-system approach
- Dedicated multi-functional shadow team
- Viability gap funding to smoothen hiccups in early operations
- Dedicated person for follow ups with FIs
- Senior advisory team who lend their experience to enhance confidence
- Platform for peer support and advice

THANK YOU

