

# ENLIGHTENING ENTREPRENEURSHIP

By Julio Eisman, ACCIONA Microenergía Foundation



## ACCIONA Microenergía Foundation

Created in 2008, the ACCIONA Microenergía Foundation has mainly focused on providing electricity to 11,500 households in isolated rural communities in Mexico and Peru that have no prospect of being served by the conventional distribution grid. It does this by arranging economically sustainable programs centered around “social microenterprises” that use solar home systems to provide a basic electricity supply that is affordable for very-low-income users.

Under the social microenterprise approach, users receive electricity from a solar home system, making it affordable in relation to their incomes. The goal is

for the electricity supply system to be sustainable on a free-standing basis by reinvesting economic surpluses.

The Foundation has been working in Peru since 2009 and in Mexico since 2012. Work in Peru is concentrated in the Cajamarca region, where electricity is supplied to close to 4,000 homes as well as community buildings (schools, churches, health centers, and other community centers).

In addition, a pilot project is being developed now in the Loreto region in order to test a new electricity delivery model for Amazonian communities. In Mexico, it has implemented the “Luz en Casa Oaxaca” program through a public-

private partnership for development with the Oaxaca government, the Spanish Agency for International Development Cooperation (AECID), and its Mexican counterpart, thereby bringing electricity to more than 7,500 families.

The Foundation is the ACCIONA Group’s vehicle to channel cooperation initiatives to provide underserved communities with access to basic services. ACCIONA is a Spanish leader in implementing renewable energy and social infrastructure as well as water management. It falls under the scope of the UN’s Sustainable Development Goals, which include ensuring “access to affordable, reliable, sustainable and modern energy for all.”



	<p>The 'Luz en Casa' rural electrification programmes gave <b>11,400 low-income homes (46,000 people)</b> access to affordable electricity in rural, isolated communities.</p>		<p>The Luz en Casa Centres and the electricity provided to users with small businesses contributed to employment and economic growth.</p>
	<p>The 46,000 Luz en Casa users saved €730,000 and were able to use 5,800,000 additional hours of electricity.</p>		<p>Luz en Casa continued to mitigate the imbalance between urban and rural areas by reducing the number of people in rural communities who did not have access to electricity.</p>
	<p>Luz en Casa provided 15,800,000 hours of electric lighting, which minimised the use of alternative polluting methods (e.g. candles, wood or kerosene).</p>		<p>Luz en Casa prevented CO<sub>2</sub> emissions of around 2,400 T as well as the uncontrolled dumping of 10.9 T of batteries.</p>
	<p>Children benefiting from the Luz en Casa programme used over <b>500,000 additional hours to do school work</b>, thereby encouraging children to stay in primary education and increasing the number of children enrolled in secondary education by 11%.</p>		<p>ACCIONA Microenergía collaborated with Spanish Cooperation (Cooperación Española) and the regional and local governments of Cajamarca, Loreto and Oaxaca, and carried out its activities alongside organisations such as those associated with the Mesa de Acceso Universal a la Energía (a group of organisations aiming to provide universal access to energy), the Latin American Sustainable Energy Platform (PLESE) and the Rural Electrification Alliance (ARE).</p>
	<p>Luz en Casa worked with at least <b>600 women members of Photovoltaic Electrification Committees</b> and one Luz en Casa Centre micro-franchisee.</p>		

Impacts 2016

## “Centros Luz en Casa”

The ACCIONA Microenergía Foundation has already trained more than 40 entrepreneurs and promoted 18 “Centros Luz en Casa” as microenterprises to sell and maintain electrical equipment designed specifically for isolated off-grid locations.

In line with its search for formulas for environmentally sustainable economic cooperation, the ACCIONA Microenergía Foundation has developed a model for promoting local entrepreneurship based on setting up franchises devoted to maintenance services and the sale of energy-efficient electric appliances in isolated rural communities in Cajamarca (Peru) and Oaxaca (Mexico). The “Centros Luz en Casa” serve 11,500 homes, to which the Foundation provided access to electricity for the first time through solar home systems in villages with no grid connections.

These inclusive businesses operate as micro-franchises, which are managed by local entrepreneurs. ACCIONA Microenergía acts as franchisor, providing technical and business training to the entrepreneurs and supplying equipment to enable them to sell small electrical appliances and provide repair and maintenance services. The items for sale are vetted and tested beforehand to ensure a high degree of energy efficiency, good quality, and an affordable price.

This network of entrepreneurs completes the Foundation’s vision of “acting at the base of the pyramid, generating development by enhancing living standards through access to electricity, and by dynamizing local economies,” says Julio Eisman, Director of the ACCIONA Microenergía Foundation.

In order to ensure access to electricity, the “Centros Luz en Casa” handle mainte-

nance of the solar home systems supplied by the Foundation and offer additional applications for electricity by providing equipment and appliances adapted to users’ needs and the system’s capacity. From a social standpoint, these centers help to create jobs and generate a local business fabric, with professionals trained by the Foundation to manage businesses in an economically sustainable manner.

This initiative was first implemented in Peru through a project developed together with the Technical University of Madrid and the ICAI Engineers for Development Foundation. It was cofinanced by AECID through a competition for innovative ideas and is currently being rolled out in Mexico. To date, the ACCIONA Microenergía Foundation has trained about 40 users working at the 18 “Centros Luz en Casa” in operation at present: 12 in Peru and the remainder in Mexico. ■