



# The Power of Collective Action

**The Evolution of the Renewable Energy Association  
of Sierra Leone (REASL) & Sierra Leone's Solar Market Growth**

## Summary

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Over the last year, the Renewable Energy Association of Sierra Leone (REASL) played a pivotal role in driving renewable energy policy reforms and streamlining policy actualization in Sierra Leone – helping to deliver new import duty and sales tax (GST) waivers valued at about 40% of the cost of goods.

REASL's swift and collective action ultimately activated Sierra Leone's renewable energy market. In 2017, REASL member companies are on par to import more than 100,000 pico and solar home systems by the end of quarter two – more than a third of the 250,000 homes that the Government of Sierra Leone (GoSL) targets for quality solar product installations by the end of 2017.

REASL has leveraged the power of collaboration and solidarity, as well as its dynamic and ambitious membership, to cement its role as the leading renewable energy force in Sierra Leone. As a result, REASL continues to grow its membership – 61% growth in its first year (28 total members). Most importantly, much-needed quality and affordable solar products are now readily available in Sierra Leone and already in the hands of many Sierra Leonean consumers.



Top left to bottom right: Foday Suma, Board Member; Kofie Macauley, Board Member; Alie Lamin, Board Member; Sam Zoker, Board Member; Sophie Johnson, President; Wordsworth Cole, Vice President

## About SOBA

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Sierra Leone Opportunities for Business Action (SOBA) is a UK Aid funded private sector development programme that uses a market systems approach to facilitate pro-poor economic growth in Sierra Leone. The programme collaborates with private sector businesses in three primary areas: **(1) sustainable energy, (2) agriculture, (3) professional services and entrepreneurship markets, to trial and to scale innovative and inclusive business practices that reduce poverty and improve economic opportunities for poor women and men.**

### **SOBA has partnered with REASL from its inception to:**

- Improve and enhance REASL's organisational structure, strategic focus, financial sustainability, and governance mechanisms.
- Develop REASL's communication strategy and collateral to improve outreach efforts, including internal and external communications
- Improve collaboration between REASL and the Ministry of Energy (MOE)
- Facilitate the development of a Memorandum of Understanding (MOU) agreement with MOE

**Adam Smith**  
International



## Background: The Energy Problem

More than 85 percent of Sierra Leone's approximately seven million people lack access to electricity. Towns and communities outside of the country's capital, Freetown, are disproportionately negatively affected. To compensate, most households and businesses rely on expensive alternatives: low-quality, battery-powered lights and diesel generators.

However, Sierra Leone also boasts vast renewable energy potential. The country is particularly well suited to increase energy access via pico and solar home systems. The cost of these solar products has fallen dramatically in recent years, making solar a feasible alternative to traditional energy sources. Moreover, off-grid solutions that complement grid expansion could generate more than \$28 million per year in cost savings to Sierra Leoneans when compared with sole reliance on the grid.<sup>1</sup>

Realising the potential of distributed, off-grid energy, GoSL became the first signatory to the Energy Africa Campaign in October 2015. In its signing, the Government committed to eliminating import duty and sales tax on quality, internationally-certified solar products. Such commitments, alongside their streamlined implementation, are poised to propel clean energy access and improve affordability for millions of low-income

## REASL Establishes the Private Sector as a GoSL Reform Partner

In an environment where the private sector is viewed with suspicion – believed to be operating with purely commercial priorities and little regard for the social and environmental implications of its work – REASL needed to demonstrate a commitment to sustainable, pro-poor solutions to energy poverty.

At its onset, REASL realised that a shared mission and vision coupled with internal structures that support efficient, swift, and responsive action, were essential for the Association's efforts. With this, REASL could establish itself as a credible, reputable and committed partner for GoSL that would enable REASL to give voice to the renewable energy industry and its collective concerns – helping the government to reform renewable energy policy environment and to stimulate sector growth.

## The Cost of Energy in Sierra Leone

In total, Sierra Leonean consumers spend SLL 240,000 (USD 32) per year for their primary lighting source. For low-income consumers, such expenditures can amount to 30-50% of their disposable income. On average, Sierra Leonean consumers spend SLL 26,000 (USD 3.4) a month on batteries for torchlights locally known as 'Chinese Lights.' Compounding costs, the lights themselves are typically replaced on a monthly basis. On average, consumers spend SLL 20,000 (USD 2.7) for new torchlights.

And what about the price that the environment pays? With little to no recycling or hazardous waste facilities in Sierra Leone, batteries are often thrown out and left unattended, contributing to both soil and water pollution.

Consumers could replace poor quality torchlights and batteries with quality, certified, durable solar. After just three months, consumers would begin to accrue savings. REASL member companies typically provide 2-year guarantees to consumers for the solar products that they offer.



## Energy Africa Campaign

The Government of the United Kingdom, represented by the Department for International Development (DFID), officially launched the Energy Africa Campaign in October 2015 to support efforts toward achieving Sustainable Development Goal 7 – market-based delivery of off-grid energy to households. The Energy Africa Campaign seeks to accelerate the expansion of the household solar market in Africa and to achieve universal energy access by 2030 by aligning supportive energy policy with coordinated donor support to improve market conditions and to increase investment for renewable energy options. The Campaign features a shared agreement and roadmap outlined in the Sierra Leone Energy Africa Compact signed on May 10, 2016, into which African governments and DFID entered voluntarily.

<sup>1</sup> Rocky Mountain Institute. 2017. "Sierra Leone Diagnostics."

At the onset, GoSL was wary of REASL and reticent to offer tax incentives that would dramatically lower the barriers to entry as well as per-product costs to the end user. To address this and to affirm its partnership potential, REASL made tangible, key commitments to GoSL:

- To carry out rigorous screening of members to ensure importation of products that meet industry accredited quality standards – thereby providing value-for-money for consumers and improving consumer perception toward renewable energy sources.
- To take a geographically-coordinated approach to installations of small household solar systems, mini-grids, and grid-extensions – thereby offering renewable energy products to a large number of Sierra Leoneans.
- Provide sales and installation data from its members to support GoSL in capturing and tracking progress in meeting Presidential Recovery Priorities (PRP)<sup>2</sup> In Sierra Leone, such level of data and information sharing is unprecedented, particularly among competing firms.

Additionally, REASL strengthened its membership offer and industry position:

- REASL developed a unified mission and vision and an actionable strategic plan to guide its operations through 2020.
- REASL established strong working relationships with relevant ministries, department and agencies (MDAs) and other key sector stakeholders, such as DFID, SOBA, Power for All, GIZ, AGI, and RMI.
- REASL led solar roadshows and radio campaigns to raise awareness. Campaigns were designed collectively, offering information regarding the benefits of solar products such as cost-savings, health, schooling, and environmental benefits and promoting REASL quality brand above any one company brand.

#### REASL 2017-2020 Strategic Goals:

1. Influence renewable energy-related government policies and support their effective implementation.
2. Develop the Sierra Leone renewable energy market by promoting renewable energy in the country and attracting international stakeholders.
3. Establish an accountable and self-sustaining Secretariat that gives clear benefits to all members.

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*Building trust [with government] has been crucial. We have pledged to [the Government] to be accountable and understand what that will entail; it's not easy, but we have to have that trust.'*

**-Sophie Johnson, President, REASL**

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<sup>2</sup>To boost the economy post-Ebola and post iron ore price crash, the president of Sierra Leone His Excellency, Dr Ernest Bai Koroma, launched the Presidential Recovery Priorities (PRP), which encompass 13 specific goals including in the energy sector. Under the PRP, targets of 50,000 solar home systems sold to low-income consumers were set for 2016, and this target was increased to 250,000 for 2017.

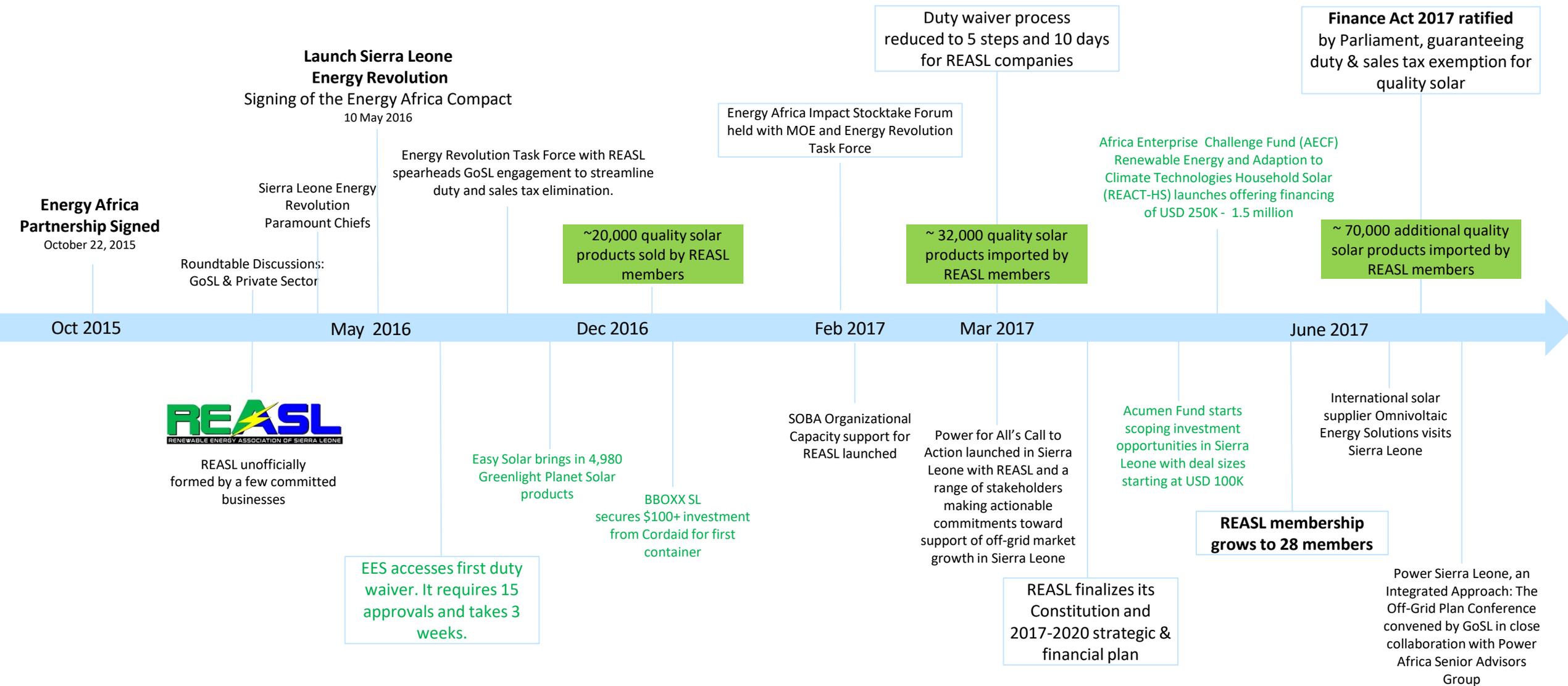
**GoSL responded to REASL efforts, viewing the Association as a close partner in reform.**

- *'[REASL] is one unit to speak for and promote the fortunes of solar.'* – **Honourable Minister of Energy, Henry Macauley**
- *'Really REASL, we see as the vehicle leading the private sector work within Renewable Energy. REASL is an organ of the Ministry and has embraced the Energy Revolution<sup>3</sup>. We are forging ahead with REASL by having one body where we can capture both national and international stakeholders.'* – **Robin Fola Mansaray Head of the Renewable Energy Department in Ministry of Energy.**
- *'The Association is leading the way in putting structure in the industry and [supporting the development of] the regulatory framework needed to create a stable investment environment. The Association, in my opinion, will be one of the strongest lobbying groups in partnership with the Government of Sierra Leone.'*  
– **Peter Mauler, Vice President of Nations Solar and REASL member, who recently partnered with a Sierra Leonean business to form the joint venture, Energen WAO, in early 2017.**



<sup>3</sup> Launched on May 10, 2016. The Energy Revolution was Sierra Leone's first national conference on decentralised renewable energy. This event witnessed the signing of the Energy Africa compact between the UK Government and the Government of Sierra Leone.

# Sierra Leone Energy Market Growth 2015-2017



## Sierra Leone's Energy Revolution- REASL Results



### 1. REASL establishes itself as the voice of the renewable energy industry and positions itself as a vital GoSL reform partner – collaborating to actualise landmark reforms.

Ultimately, by nurturing and cultivating relationships with the government, and harnessing the power of individual companies toward collective action, REASL has and continues to play a pivotal role in renewable energy sector reform. As a result of their engagement:

- a. **Fiscal incentives:** Quality, certified solar products are eligible for duty and GST waivers that eliminate a 40% tariff.
- b. **Streamlined policy implementation:** Most importantly, for companies affiliated with REASL, the import duty waiver process has been reduced to five steps in 10 days, down from 15 steps spanning three weeks.

### 2. Pro-business reforms accelerate Sierra Leone's solar market growth, attracting a growing number of suppliers and investors.

As a result of pro-business renewable energy reform, investment in Sierra Leone's renewables market is growing:

- a. **International suppliers:** Global quality solar companies with major operations elsewhere – such as Azuri, Barefoot Power, BBOX, d.light, Fosera, Greenlight Planet, and Omnivoltaic Energy Solution – are investing in Sierra Leone.
- b. **Local private sector:** Existing companies are diversifying their portfolios to include quality, household solar. For example, Insons, Sinergy, and large corporations such as Total.
- c. **Investment:** International investors, such as Acumen, Cordaid, and TRINE, are pursuing Sierra Leone ventures.

### 3. REASL members help the GoSL to achieve its Presidential Recovery Priorities and Power for All energy objectives.

- a. **REASL's 2016 contribution:** REASL companies alone were responsible for contributing more than 50% toward the achievement of PRP energy access targets of 50,000 solar home systems distributed to low-income families.
- b. **REASL's 2017 contribution:** REASL members are on track to import more than 100,000 pico and solar home systems by the end of quarter two – more than a third of the toward the target of 250,000 homes equipped with quality solar products by the end of 2017.

#### 4. Challenges confronting energy sector growth reflect growing complexity of Sierra Leone's solar industry.

At REASL's onset, solar distributors were challenged by tax and import issues, raising start-up capital, and understanding how to market and distribute to solar customers.

- a. **Mobile payments:** Solar companies across sub-Saharan Africa are decreasing costs by integrating pay-as-you-go (PAYG) technologies that allow for real-time monitoring, offer small payments through higher-frequency instalments, and leverage mobile money platforms to lower the cost of outreach. Mobile payment infrastructure required to support integrated PAYG options for solar is nascent in Sierra Leone. REASL members are working closely with telecommunication providers such as Airtel/Orange and Africell to develop the mobile money landscape and forge strategic partnerships.
- b. **Consumer financing:** REASL and The Sierra Leone Association for Microfinance Institutions (SLAMFI) launched a pilot scheme, which is currently underway, to extend consumer financing for the purchase home solar systems.

#### 5. REASL offers tangible value and industry vision, attracting a growing membership base.

- a. **Membership:** Membership has more than doubled since its formation, from 11 to 28 small and medium-sized firms – demonstrating REASL's importance and relevance in the sector.
- b. **Vision:** As the membership base continues to grow, REASL is on par to achieve its vision of being the dominant industry association to accelerate the adoption of renewable energy in Sierra Leone toward achieving universal energy access and economic empowerment in the country.

#### 6. Sierra Leoneans demand and adopt quality pico and solar home systems.

- a. **Quality products:** Sierra Leone families can now purchase a broad range of certified solar solutions: solar lanterns with light and mobile charging capabilities and solar home systems with the capacity to power key appliances, such as radios and televisions.
- b. **REASL's contribution:** To date, REASL members have imported 130,000 quality pico and solar home systems – 28k in 2016 and 102k as of June 2017.



## Vision for the Future

By working together with the Government of Sierra Leone, donor community, and local and international energy business and investment communities, REASL has and continues to demonstrate the power of collective action.

The future looks bright for REASL:

- President Sophie Johnson states that, in the space of one year, REASL ‘has improved in quality, confidence and substance.’ She hopes that 2017 will bring a ‘strong established board, which can drive our key initiative, to be a leading stakeholder within the renewable energy sector’ and a continuation of ‘our partnership with the Government of Sierra Leone to [solidify] on-going efforts.’
- Similarly, REASL Vice President, Wordsworth Cole wants ‘REASL to be a key authority when lobbying to the government on renewable energy issues’ in addition to being ‘a dominant player in regulating the quality of products.’ Ultimately, Sophie hopes ‘to represent Sierra Leone on an international level.’

Sierra Leone's renewables industry is growing in parallel to the Association – and in large part, due to the collaborative environment, it has fostered. Companies share information on best practices to industry challenges such as distribution, accessing finance, and the duty waiver and sales tax exemption process. Moreover, more and more companies are establishing commercial relationships; figuring out how to grow sales and expand business through increased specialisation and collaboration.

Building on the spirit of collaboration, REASL aims to continue to improve sector-wide efficiency – including:

- Solar technicians. REASL plans to develop a training programme for technical experts. Qualified, skilled technicians will lower costs and add value for the sector as a whole.
- Information hub. With a growing body of market information, operational and tax management guidance, and sales data, REASL aims to position itself as a vital renewables information hub.
- Quality brand. REASL members must adhere to International Electrotechnical Commission (IEC) global quality standards harmonised with Lighting Africa/Lighting Global standards. With DFID technical assistance support, REASL is in the process of developing a roadmap for solar product quality control and standards outlining best practices and way forward for solar quality assurance in Sierra Leone.
- Growing consumer awareness. Working in tandem with relevant partners, REASL aims to develop consumer education and awareness campaigns to help promote the household solar category as a superior, affordable alternative.
- Larger energy projects. REASL will grow its advocacy to larger-scale energy solutions, such as mini-grids. Enabling environment reforms are pivotal to improved power generation and distribution performance that underpin economic growth widely. Many REASL members target larger project generation.

All of this is good for consumers, helping to stimulate wide-scale uptake of solar products – building toward Power for All.

To learn more about SOBA's work visit [sobasl.org](http://sobasl.org)