

Market Analysis for Solar Home Systems in Sierra Leone

SNAPSHOT : SOLAR DISTRIBUTORS & SOBA PRIVATE SECTOR PARTNERS SEPTEMBER 2016

Solar lanterns and solar home systems are imported to and distributed throughout Sierra Leone. Currently, only a handful of Sierra Leonean distributors offer certified solar products (Lighting Africa, IEC), with the bulk distributing low-quality and low-cost alternatives.

A number of international suppliers with strong track records, good quality products, and wealth of experience targeting bottom of the pyramid (BoP) consumers in East Africa are beginning to take interest in Sierra Leone. These include: BBOXX, d.light, GreenLight Planet, Fosera, Azuri and others.

Solar distributors remain challenged with limited working capital, high costs associated with import and transportation requirements and long-term consumer financing, limited low-costs distribution options and limited solar product awareness.

Sierra Leone Opportunities for Business Action (SOBA) is collaborating with a number of Sierra Leone distributors and international suppliers to overcome these challenges.

BBOXX SL Ltd

BBOXX SL is the sole distributor for BBOXX UK, a global manufacturer and distributor of solar home systems. Since its start in Sierra Leone in 2013, BBOXX SL has achieved USD 300,000 in sales to date – with a significant slowdown in sales corresponding to the Ebola outbreak.

SOBA and BBOXX are collaborating to trial new distribution and marketing strategies aimed at jumpstarting BBOXX sales and re-establishing demand for the solar home system and associated appliance products in Sierra Leone.

Presently BBOXX SL is working to secure financing for a container valued at about USD 120,000. BBOXX's strong track record within the solar industry as well as the company's stringent financial practices makes them a suitable borrower for CORDAID and other, similar impact investment outfits.



Energy Efficient Solutions

Energy Efficient Solutions (EES) is a d.light product distributor, offering both solar lanterns and solar home systems. d.light offers IEC certified solar products and has sold over 10 million units across many countries since its launch a decade ago.

EES launched in 2003 as an IT company and in 2016 successfully completed a number of in-house improvements in collaboration with SOBA to position itself as a major solar distributor. These include re-registration as a separate solar company, brand birth, and business and financial planning. EES placed its first major order in September 2016 and will launch two distribution pilots in partnership with SOBA in October 2016.

EES will be the first solar company in Sierra Leone to trial retailer and aggregator routes-to-market in Sierra Leone. Sierra Leonean retailers have inadequate knowledge of solar products, with many currently selling cheaper products which do not meet the IEC standards. (See text box below)



Easy Solar

Easy Solar is one of Sierra Leone's newest solar lantern and solar home system distributors. The company currently offers GreenLight Planet solar products. Having launched a successful pilot in Western Rural area last year, Easy Solar is now positioning to significantly expand operations.

SOBA and Easy Solar are collaborating to trial two key strategies: an upselling tactic to reduce customer acquisition costs and shorter repayment periods that will help manage working capital constraints.

With its first major consignment on the way, Easy Solar is positioning its next pilot while also attracting financing for a larger container shipment to significantly scale up sales with proven strategies.



Solar Era

Solar Era was awarded a 5MW Solar Farm project in Boama Chiefdom, Bo District in 2016. As part of the company's corporate social investment and its project commitment, Solar Era has expanded into pico systems to provide energy access for 6,000 of the Chiefdoms inhabitants that will not access electricity via the solar farm directly. Solar Era aims to establish a commercially-viable and replicable route-to-market approach in Boama – collaborating with SOBA to do this.

Currently, Solar Era is the sole distributor for Fosera products in Sierra Leone, which are IEC certified. The Fosera range includes the blue line scandle lamp, which can be used for phone charging and radios, with a retail price of USD 10.

Solar Era mapped energy access and expenditure in the surrounding villages in Boama Chiefdom in early 2016, learning that households pay an average of USD 187 per year on lighting and mobile charging. The company also recognised the importance of long-term financing for these customers. Solar Era plans to collaborate closely with Paramount Chiefs to manage distribution and repayment.



Teleficient

Teleficient was the first solar company to offer pay-as-you-go (PAYG) financing for low-cost solar products in Sierra Leone. Though the pilot revealed high default rates, it also unfortunately coincided with the outbreak of the Ebola virus.

Teleficient offers Azuri products. The diverse Azuri product line includes a variety of pico systems which are IEC certified.

SOBA and Teleficient aim to analyse the PAYG pilot together, identifying successes that should be replicated and opportunities for improving returns in a subsequent pilot later in 2016-2017.



Lighting Global

Lighting Global is the World Bank's programme to aid the international off-grid lighting industry. Lighting Africa aims to develop the off grid market within Africa, to ensure it is affordable and off high quality.

Through the Lighting Global programme the World Bank/ IFC has created a quality testing methodology in collaboration with the International Electrotechnical Commission (IEC). The IEC/Lighting Global standard ensures that internationally, there are uniform qualities, which can be applied to pico solar products. Lighting Global has quality standard laboratories in Africa, Asia, Europe and the United States. By endorsing high standards, Lighting Global and Lighting Africa ensure consumers are protected from low or unknown quality products.

