



Building up a sales network for
small RE products in East Africa

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SolarNow Program



Goal	400,000 rural people in sub-Saharan Africa getting access to renewable energy
Strategy	Market development for solar home systems
Barriers addressed	<ul style="list-style-type: none">• Phase 1: Availability• Phase 2: Awareness• Phase 3: Affordability• Institutional framework (market transparency)
Period	2007-2010
Budget	€ 1,600,000 (Dutch Ministry of Foreign Affairs & DOEN Foundation)
Results	<ul style="list-style-type: none">• Establishment and support of 225 rural retailers• 443,000 people reached• Costs € 3.6 pp



New strategy: Transition towards a commercial viable model

Approach

PHASE 1:
AVAILABILITY

PHASE 2:
AWARENESS

PHASE 3:
AFFORDABILITY

Quality control

Monthly visits
After sales visits

Access to capital

End-user loans (hire purchase)
Start-up loans

Better products

Introductions and trade fairs
Bulk purchase
(Carbon credits)

Identification & selection

Basic Training

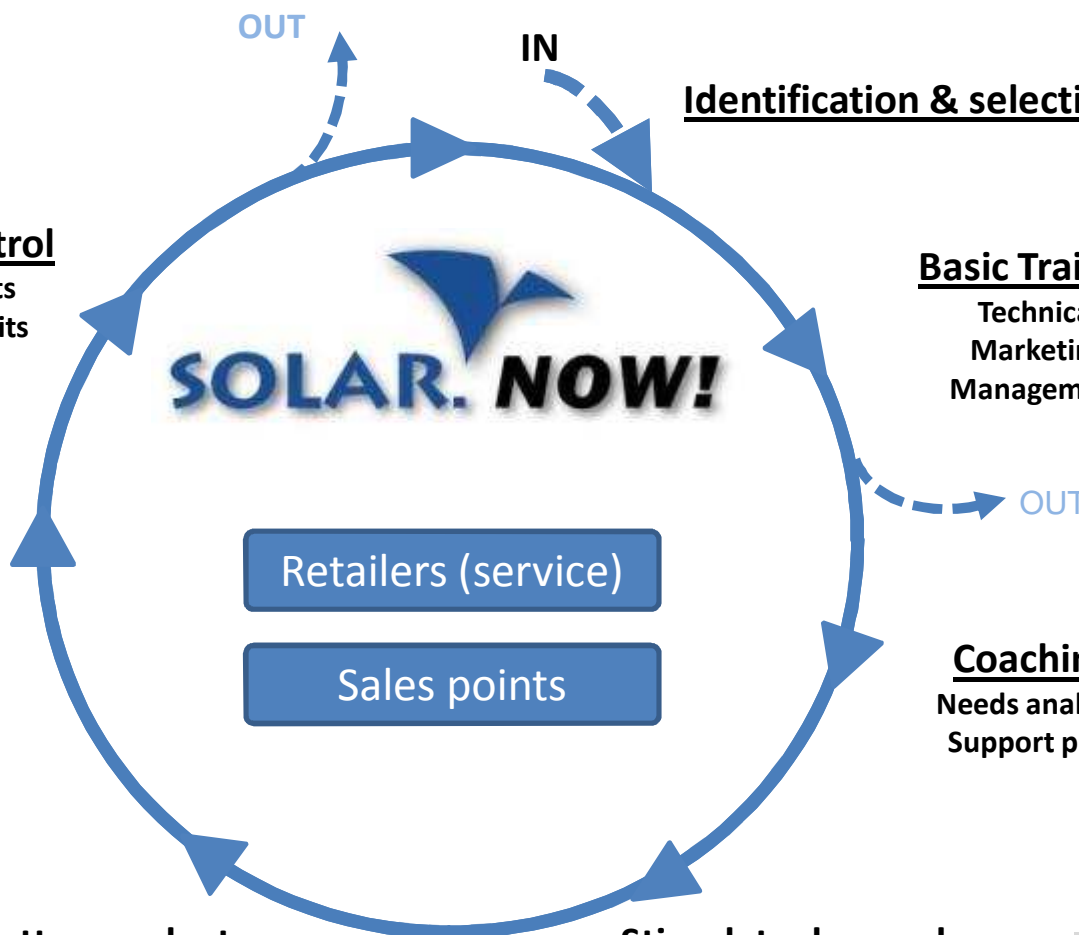
Technical
Marketing
Management

Coaching

Needs analysis
Support plan

Stimulate demand

Promotion materials
Campaigns



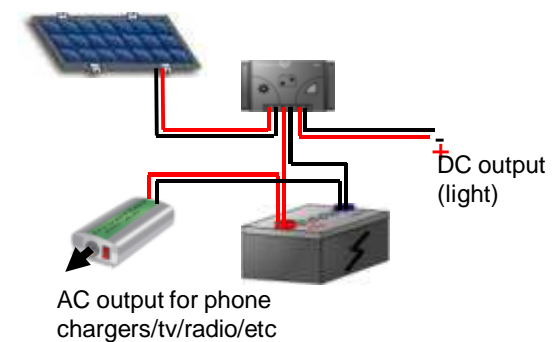
1. Commercial viability

1. Retailers: Facilitating rural retailers to scale up and become commercially viable
2. Suppliers: More demand → increased supply to retail market
3. End users (households): knowledge and access to credit → sustainable access to renewable energy
4. End users (micro businesses): training and access to credit → access to renewable energy for lowest income groups



2. Product/service affordability

- Phase 1: availability
- Phase 2: awareness
- **Phase 3: affordability**
 1. Diversification of products
 2. Economies of scale
 3. Access to credit – e.g. hire purchase



3. Product quality

Phase 1: availability

- training of retailers , incentives (MoU), trade fairs

Phase 2: awareness

- Education of end-users, after sales visits, marketing campaigns, branding

Phase 3: affordability

- Quality linked to credit (hire purchase)

→ Market approach provides best incentives for quality through ownership



4. After-sales services

- Training of retailers:
 - after-sales service as a marketing tool
 - determination of quality and training needs
- Training of end-users
- After-sales visits integrated in hire purchase contract – more **control** possible



5. User awareness

- Village demonstrations and **promotion** campaigns
- **Radio** advertising together with retailers on cost-sharing basis
- **Visibility** of authorized retailers (SolarNow branding)



6. Environmental safety

- Solar contributes to lower greenhouse gas emissions and a better indoor climate
- Retailers trained in safety-issues
- Recycling of batteries is still low, but there is a market for lead-recycling
- Large importers/distributers collect batteries to recycle



Conclusions

REF's market development approach:

- Access to renewable energy for **€ 3.6** per person
- Potential for self-sustaining scalable models through **hire purchase** and financial advantages of **bulk purchase** whereby **quality** of products and service is assured.
- Take your chance to get involved!!

