



Uganda - Setting up a country programme from scratch

December 2014



Late
2013

Scoping Report
Expansion Strategy

Confirming expansion into Uganda

Major Gift for
Uganda expansion

Jan
2014

April

DFID Funding

Recruited Operations
Director

June

Ministry of
Education
endorsement

Opened office
Recruited Team

Aug

Recruited
Research Team

Sept

Started
Headteacher
Meetings in
three districts

Oct

Beginning of
sales -
delivering lights
to the three
districts

Baseline
research

Nov

Record
breaking first
month of sales -
3181 solar
lights

Dec

Introduction

SolarAid's social enterprise, SunnyMoney, has expanded into its fifth country, Uganda. We have sold more than three times as many solar lights in Uganda than in any other country after the first month of sales. This report explores how and why this has been our most successful launch yet. This is how we set up a country programme from scratch:

Uganda – Country Profile

Capital City – Kampala

Currency – Uganda Schilling (UGX)

Official Languages – English, Swahili

Population – 37,580,000

GDP – 21.48 billion USD

Main exports – Coffee, tea, mate and spices

People living in poverty – 24.5% of the population

Bordering nations – DR Congo, South Sudan, Kenya, Tanzania and Rwanda

Access to electricity – 15% of the population

Rural access to electricity – 6% of the rural population (31.77 million)



Why Uganda?

We chose to expand in Uganda for a number of reasons which were explored in our Scoping Exercise in late 2013. Below are some of the factors that were considered when planning this growth:

The market size and need – what is the market potential and energy need?

85% of the country does not have access electricity and most of the population lives in rural areas. Considering also that 24.5% of the population are living below the poverty line of \$1.25 per day, the need for access to affordable energy is huge.

Operating conditions – are there inhibiting taxes and tariffs on solar products and will security be a problem for SunnyMoney teams?

Tariffs in Uganda differ by commodity and are based on the Harmonised System (HS) as specified by the Uganda Revenue Authority. There are no taxes levied on renewable energy equipment. Problems may, however, arise in the classification of accessories

Opportunities – is there an influential partner or donor that could support SunnyMoney and the acceleration of their presence there? Since we are a distributor, our first key partnership needs to be our suppliers. Greenlight Planet and d.light are both present in Uganda and there are other organisations and potential partners due to this existing presence of solar lights.

Geographic location – can we expand current distribution channels or will we be starting from scratch?

Uganda borders Tanzania and Kenya, two of the countries SunnyMoney operate in. It also borders Rwanda where we are planning to expand. This means it is perfectly situated for the expansion of current distribution networks.

Having decided on Uganda in late 2013, SolarAid received a Major Gift donation from an individual to fund our expansion into Uganda in January 2014. This gift was used to leverage further funding from the UK Government's Department for International Development (DFID) to complete the funding we needed in order to launch.

Recruiting the team

With Uganda chosen as SunnyMoney's new country and funding in place, we needed a team to set-up and build a successful operation. We know that crucial to success is having the right leadership and team. It all started in June 2014:

Alison Gallagher – Operations Director

Alison was appointed as the new operations director of Sunny Money, Uganda in June 2014. She has over 10 years experience in Uganda working and running SME's ranging from IT, Telecoms, Business consultancy, Trade & Hospitality. Alison was especially happy to be a part of a growing social enterprise which is addressing developmental challenges directly through trade.



Before appointing a team and launching in Uganda, Alison needed to get the Ministry of Education's endorsement. We cannot launch our School Campaigns without this support. SunnyMoney received the endorsement in August and opened the office on 1st September 2014. A team was recruited throughout September and here are a few of them:

Bob Komakech – Regional Team Leader

Bob is our in-house solar expert and has come with a lot of relevant work experience. He previously worked in fast consumer goods and more recently at Total. Total have a social enterprise section whereby they have partnered with D light, a solar light manufacturer, and are distributing these lights in rural areas, especially in the north of Uganda. Bob was a sales agent on this programme and acquired a wealth of knowledge.



Ronald Isabirye – Programme Manager

Ronald comes with a vast experience in Uganda's private sector especially in management of teams and Business Development coupled with vast knowledge in funded Business Operations, Finance and Leadership. His experience and skills will be vital in idea development and building an innovative sales strategy for the SunnyMoney Programmes.

Siraje Buga – Field Officer

Siraje has a lot of experience on the ground having been on the presidential campaign trail. He is at the heart of the action and he has fully embraced the challenge:

“One of the things I like about my job is that I meet different people, I meet different challenges and different demands and different questions. Then we have these head teacher meetings, of course at first, many of them you find they know about solar lights, but the pico-type, they don’t have any idea about them. So you have to introduce the idea, develop it, it becomes beautiful to them, so they embrace the idea which makes my day beautiful, and which makes my work beautiful... I feel I am adding value to someone’s life. That’s how much I like my job.”

Ramulat Indiru – Finance and Admin Manager

Ramulat came from running the finances of a successful social enterprise called the Chimpanzee Sanctuary and Wildlife Conservation Trust. Her experience in managing grants from organisations such as Global Environmental Fund and Jane Goodall Institute makes her an asset to SunnyMoney Uganda.



Research Team

With the operational team in place, we aimed to find a team to conduct the first ever baseline research we had done when launching into a country. We recruited four Research Assistants in October, they had two weeks training from 27th October and began their research right away on 10th November. Their names are:

- Bennedette Atai
- Mabel Nabunya
- Posiano Musiime
- Samuel Oyaku

It is very significant that our new Uganda research team conducted the first ever baseline research prior to SunnyMoney activity in a new country. This is to understand the situation and the environment we will be working in. It means our programmes are well informed and well-targeted. It allows us to understand the priorities of our customers. The baseline research we conduct enables us to identify new ways to reach people that our programmes might not deliver. This feeds straight into the things the Innovation Team test out to work out better way to maximise impact and make a difference. Finally, the baseline data offers a comparison point so we can revisit areas to see what change has happened and work backwards to determine if our work is having the positive impact we want it to.



Research Assistants, left to right: Mabel, Posiano, Bennedette, Samuel

Baseline Research

From 10th November 2014, our Research team spent two weeks conducting baseline research in Rakai, Central Uganda – a ‘virgin market’ to SunnyMoney. Early analysis from our baseline market research in Uganda shows that of the 370 people they surveyed across rural markets in Rakai district:

Kerosene use:

- In 95% of households with children at school, the children are doing their homework after dark. 65% are using a kerosene lamp to light their study. As a result, three quarters said that this negatively affected their children's study time or motivation.
- Over half of those interviewed were using kerosene lamps as their main source of lighting.
- On average, families in Rakai that were interviewed are spending over 10% of household income on lighting costs.
- Over two in five respondents who used kerosene as their main source of lighting said they experienced health issues such as coughing, chest problems and eye irritation.



Samuel Oyaku interviewing Juliet Nabikolo at her home in a rural village of Kanoni, Rakai

Knowledge and want for solar lights:

- 75% of people were aware of pico-solar lights.
- After the research team showed the respondents a solar light and told them about what they could do and their price, **80% were interested to buy one.**

The large number of people interested in buying a solar light was reinforced by the case studies our Research team collected:

- Samuel Oyaku, Research Assistant, said of Joseph Muhima, an 82 year-old tailor:

He could not hold his excitement after seeing small portable Sun King Eco... he has been a tailor for more than 60 years and he wants to buy one immediately, in fact he wanted to retain the sample used by myself for a demonstration... Joseph believes the solar lights are going help his grandchildren to study their homework comfortably at night for longer hours... his wife when she is cooking supper in the kitchen at night and he will use it at night to make customers' clothes during the Christmas season when he get the most income during the year.

- Mabel Nabunya, Research Assistant, said of Tom Kantongole, 42 and father of three:

Tom's household uses local kerosene lamps as a source of lighting while doing their homework but this affects the children's studying. He says, "The soot will spoil their eyes in the future and sometimes the lamp goes out of paraffin when they still want to study and they may get burnt while reading so they restrict their reading time"... Tom had always wanted to acquire himself a solar light ever since he saw one with a friend. "I didn't know where to buy it"... When he saw us with the same solar light he had always wanted to buy, he was very excited".

We are serious in our mission to eradicate the kerosene lamp from Africa by the end of the decade and to give access to solar lights for all. This research is a powerful motivation for us to reach all areas of Uganda. We know that if we give people the choice to throw away their kerosene lamp and buy a solar light, they will.

The SunnyMoney Way

It has taken nearly four years of programme development, testing and learning to turn SunnyMoney into the successful social enterprise it is today. We are not just giving lights away, we are building a market to offer families the choice to invest in solar. This is a longer term solution because once established, the markets become self-sustainable and they will grow to satisfy the increasing energy demand of evolving customer needs or desires. As we have found, a market based approach creates access to clean and safe solar light which has a huge impact on households whilst also providing economic opportunities for local entrepreneurs and businesses. This is the aim for Uganda and it all starts with our School Campaigns. In late October, SunnyMoney Uganda piloted School Campaigns in three districts.



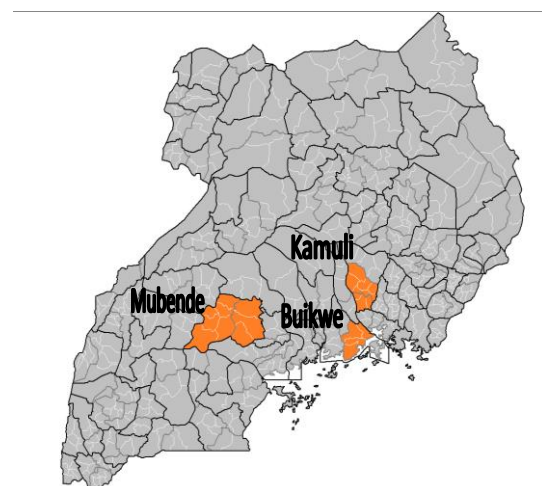
Headteacher Meetings

As trusted community leaders, headteachers are perfectly positioned to promote lights to the parents of students. Headteachers in Uganda earn meagre salaries. However, they are very entrepreneurial. It is normal for them to have a business on the side to boost their incomes. The Headteacher Meetings is where SunnyMoney offer the headteachers the opportunity to boost their standard of living while having a beneficial impact on their community.

The three districts we piloted our School Campaigns in were Buikwe, Kamuli and Mubende. Working with the local education authorities, we invited between headteachers to each of our ten meetings across the three districts from October to November.

Of the 709 headteachers who were invited, an average of 72% attended the meetings.

The headteachers were very excited to see the opportunity we were offering. They had seen big solar panels before, but just a third had seen pico-solar lights. When asked, 99% of headteachers at the meetings thought there would be interest from



students and parents at their school.

District	No. Of HT's met	No. HTs who ordered	%
Kamuli	131	101	77%
Buikwe	178	173	97%
Mubende	400	235	59%
Total	709	509	72%

The teachers received training on how to use and care for the solar lights. They then left with a sample light which they use to educate their students and the community as a whole. In addition to understanding how the solar lights work and their benefits, the headteachers are also made aware of the devastating effects of kerosene. Upon their return to their school, the interested headteachers collected orders that were delivered to them two to four weeks later by SunnyMoney. A very high average of 72% of headteachers ordered solar lights. In Buikwe, 173 of 178 headteachers ordered solar lights – that is almost every single headteacher at the meeting.

The First Sales – Delivering the lights

With orders collected, the first sales delivery day was on 2nd November 2014 in Kamuli. Ronald, Programme Manager, recounts meeting our first ever customer, Joseph Bwamiki:



Uganda's 1st customer, Joseph Bwamiki

We see first-hand how a solar light benefits people; people like Joseph, our first ever customer here. As a headteacher from Kamuli, a town in Eastern Uganda where our teams recently visited, he got given a sample light. This was during a difficult time for Joseph, as we later found out his son had sadly passed away.

In Uganda, we have something called a lumbe after a death, which is similar to a wake. At a lumbe, it is customary to shine a light over the body throughout the night so that people can pass by to pay their respects. Joseph used his new solar light, as the glow was much stronger than his kerosene lamp, and he was able to leave it on all night without worry.

He has since helped 18 of his friends and family present at the lumbe to get solar lights, bringing light and hope into his community even at the darkest of times. It's stories like this that really show the role light plays in just so many different aspects of our lives.

We sold 457 solar lights on the first day. Having heard Joseph's story, and the stories of others, it was a very positive start to SunnyMoney Uganda.

One month on...

It has been one month since Joseph bought his light and three months since SunnyMoney received permission from the Ministry of Education. We have sold 3,181 lights across the three districts. This is the sales break down of the two deliveries which have gone to each district so far:

	Sun King ECO	Sun King Mobile	Sun King Pro 2	Total
Kamuli delivery 1	531	0	36	567
Kamuli delivery 2	357	0	22	379
Kamuli Total	888	0	58	946
Buikwe delivery 1	793	5	64	862
Buikwe delivery 2	321	2	34	357
Buikwe Total	1114	7	98	1219
Mubende delivery 1	755	163	3	921
Mubende delivery 2	46	49	0	95
Mubende Total	801	212	3	1016
Total Sales	2803	219	159	3181

The three lights we are offering in these pilots are manufactured by Greenlight Planet and it is no surprise the Sun King Eco has achieved by far the most sales during this first month of the school campaign. The Sun King Eco is Greenlight Planet's entry-level solar light and there are two reasons it has sold more – the customer and SunnyMoney.

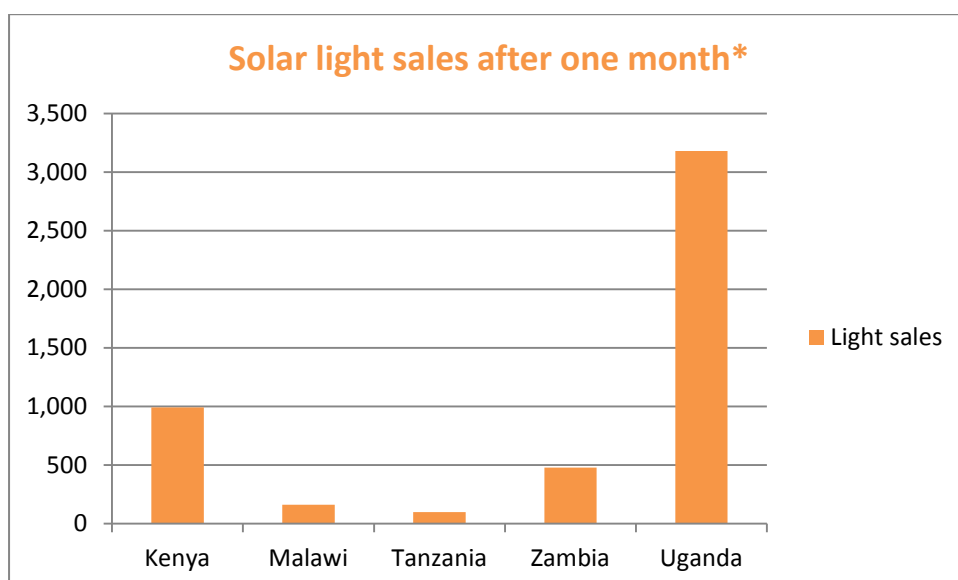
The customer buys this solar light because it is the cheapest of the range. The higher-level lights are unaffordable to many, especially when switching from kerosene which limits savings. Furthermore, most of our customers have never had a solar light before. They need to gain trust in a quality product and feel its multi-faceted benefits. The Sun King Eco is the first step on the ladder. This leads to aspiration. With an improved livelihood and more money to invest, our customers' needs develop and they will want and need to move to a more powerful and multi-functional solar light. This drives the market.

Our SunnyMoney Uganda team have educated the headteachers and the communities properly. By informing people about the products, they are buying a suitable product for their needs. This is combined with the fact that our model offers a range of products. We are giving our customers the choice of which product to buy. With this choice, our customers in Uganda are buying the most affordable and suitable lights for them and their families.

Comparative success

Our preparation has paid off and the sales figures in Uganda are much higher than any other country after one month of sales:

The sales in Kenya after one month of sales from the School Campaigns have been the highest before Uganda's success with 992 sales. This means that Uganda's 3,181 solar light sales are more than three times higher than any other country. In 2010, before the School Campaign was developed, it took an entire year to sell 3,000 solar lights in one country.



*The figures for Kenya, Malawi, Tanzania and Zambia are the sales figures from January 2012 – the first month of sales after our School Campaigns were rolled out across the four countries.

This means while we are hearing how solar lights affect individual lives like Joseph’s, selling 3,078 lights in one month will have the following impact over the lifetime of the solar lights:

- 20,230 people with access to solar light
- £406,500 saved for families
- 4.7 million extra hours of child study time
- 1,730 tonnes of carbon dioxide emissions averted
- 10,500 people experiencing better health.

For more information on the basis for knowing our impact, please see our Impact Report.

Why?

Our early success in Uganda has been very strong but there is long way to go to build a sustainable solar market throughout the country and the continent. It is essential we understand why there has been such a rush to buy our solar lights in order to improve and strengthen:

Best Practice – SunnyMoney’s School Campaigns has been in development for four years. We have failed, learned and succeeded many times since then. We have developed a best practice model for introducing our School Campaigns into new countries. When launching In Uganda, we ensured our learning was shared with the new in-country SunnyMoney team.

This was done through Victor Koyier. Victor is SunnyMoney’s Expansions Officer. This is a new position and it was created to ensure that our best practice model is shared and implemented into new countries. Victor has worked in Kenya with SunnyMoney since 2010 and has experienced the market growth – he has an in-depth and comprehensive understanding of the SunnyMoney way.



Victor presenting at Headteachers Meeting in Buikwe

Victor was on the ground with our teams as we were attending Headteacher Meetings and launching the School Campaigns. His experience proved invaluable in directing and working with SunnyMoney Uganda and as he says, 'Watch out for Team Uganda!'

Uganda – As we discovered in our scoping exercise, the market in Uganda is ready for SunnyMoney and pico-solar lights. Only 15% of the population have access to electricity and need an affordable solution.

Uganda has a very young population. 70% of the population is under 30 years old. They are adaptable and understand new concepts and technology quickly. Pico-solar lights are an easy concept to convey to this demographic.

Furthermore, there is a presence of solar lights already in Uganda. Most are larger home systems but manufacturers have introduced pico-solar lights into the country. One advantage we have over other solar light companies is that we are linked to a charity and have a partnership with the Ministry of Education which enables community mobilisation.

Presence of pico-solar lights is currently small but word has been spreading about this affordable and clean alternative to kerosene. Our SunnyMoney Uganda research team discovered exactly this when they conducted market research in November 2014.

The future

Our first month's sales, research and experience proves the potential of the market in Uganda. We have so far had deliveries in three districts. By the end of March 2015, we will have expanded our School Campaigns to 19 districts and at the end of the next financial year (March 2016), we will have expanded our School Campaigns into 47 of Uganda's 113 districts and launched our Agents Network.

In the next three years, as of April 2015, these are our projected sales figures:

	Year 1	Year 2	Year 3	Total
Unit Sales	200,800	352,000	503,000	1,055,800

If we achieve this, the impact we will have over the next three years having sold 1,055,800 in Uganda is as follows:

- 6.7 million people with access to solar light
- £134,921,000 saved for families
- 1.5 billion extra hours of child study time
- 575,000 tonnes of carbon dioxide emissions averted
- 3.5 million people experiencing better health.

As the market grows and we have this impact, SunnyMoney will become a household brand in Uganda. We will be known as renewable energy expert distributors.

The main sales channel in three years time will be through the Agent Network – which develops on the foundation of the School Campaigns. From what we have learnt from Kenya, our School Campaigns have a shelf life hitting their peak after three years, then sales reduce.

The sales breakdown in three years time will be:

- Agent Network – 70%
- School Campaigns – 20%
- NGO/Corporate – 10%

All solar lights will still be selling however the trend will move towards mid-level to high level solar lights since Pay-As-You-Go will be introduced making it more affordable. Most people who started with entry-level solar lights and who have had a positive experience will want to quickly move up the energy ladder.

Our unique selling point will be in our distribution network, in our affordable quality products and in our customer service excellence. It will also be in our ability to use technology such as our Enterprise Resource Planning (ERP) system to capture and analyse data to drive sales and promotions with the utmost precision.

Our comprehensive research team will continue to grow and dedicate themselves to working with our customers to make sure SunnyMoney Uganda is operating as best as possible and to analyse the impact this emerging market is having. People buying solar lights will be getting rid of their kerosene lamps and we need to capture this data to inform our work and the work of others.

As the first SunnyMoney school campaign in Uganda comes to an end the sales of solar lights has exceeded 4,600. It is an encouraging start but we still have a long way to go.

December 2014