SolarAid restructures and gears up for next push on the African solar-lighting frontier

20 July 2015: In just three years, SolarAid’s retail arm SunnyMoney has catalysed the first two African national mass-markets in solar lighting, soaring to best-of-continent sales status from growth mostly in Kenya and Tanzania. But just as the charity and its social venture gear up to raise further funding for expansion across sub-saharan Africa, where access to solar lighting simply does not exist in any meaningful way, SunnyMoney has seen its own sales falter in the face of competition from new entrants in the fast-growing markets it has created in Kenya and Tanzania, creating stress on the pioneering organisation’s cash position. In response, the group is restructuring as it prepares its case for the next phase of its market-making mission.

SolarAid’s mission is to play a lead role in replacing all oil-use for lighting across Africa by 2020. Fifty other national markets will need to be catalysed, and then grow fast, if that is to happen. SunnyMoney has sold 1.6 million solar lights over the last three years (1.7 million since the birth of SolarAid in 2006). But there are some 200 million kerosene lanterns to replace across Africa. Total sales of solar lights across the continent, by all players now operating continent-wide, are around 10 million.

SunnyMoney CEO Caesar Mwangi said: “Having successfully pioneered and catalyzed the Tanzania Solar lights market, we have decided to reduce the size of our Tanzanian office while we make our case for accelerated support and execute our plans for other countries. Tanzania is a classic case of market maturity with numerous players now supplying solar lights and actively contributing to our BHAG to eliminate the kerosene lamp from Africa. We continue to lead the way in Malawi, Zambia and Uganda, and hope to enter and catalyse other frontier markets that have yet to enjoy serious growth. We have shown in Tanzania and Kenya that with our unique model, combining the best of business and philanthropy, we can build markets where more conventionally-financed players fear to tread first. That is a fantastic enabling role that we want to repeat again and again, and must, if we are to achieve our mission.”

SolarAid CEO Andrew Webb said: “At the London HQ of SolarAid, we will be ensuring our cost-base, reflects new interim budgets and our evolving strategy. Our goal is to eradicate the kerosene lamp from Africa by the end of the decade so there is much more to do. Our field research shows that we have already reached 10 million people - 9 million of which live below the poverty line ($1.25 per person per day)- giving them access to safer, cleaner, cheaper and brighter light. The impact of this work is huge: $350 million of household income has been saved, from reduced spending on lighting alternatives like kerosene; 2.4 billion extra study hours for children have been created; 860 thousand tonnes of carbon dioxide emissions have been averted; and 5.8 million people are experiencing improved health. We will be working hard to raise more funds of the kind that have made this possible: foundation funding, corporate giving, government development aid and the generosity of our many individual supporters."

SolarAid founder and chairman Jeremy Leggett said: “SolarAid is a path-finding organisation, with a
brave and committed team that has opened up great opportunities for others: both the customers whose money we have saved and lives we have improved, and solar-light companies who now enjoy the markets we have led the way in creating. As we continue to explore the poverty-alleviation and fossil-fuel eradication frontier we are on, we are particularly excited about three themes in our reason for being: novel financing, market leadership through SunnyMoney and SolarAid’s collaborative model, and corporate partnering. We want to test the proposition that we can repeat the market-priming potency of our mix of philanthropic funding and low-interest debt, mostly crowd-funded, in new countries. And we want to partner with large corporations worried about climate change and inequality to greatly amplify the sales channels we have found on the ground. In the next few months, we will be taking our powerful case to the different partners who can make this happen.”

Leggett added: “We have a dream beyond this. SolarAid was founded with 5% of the annual profits of Solarcentury, another company I founded, one more conventionally financed. Our hope, both at SolarAid and Solarcentury, is that if other companies copy this model of giving a small percentage of their profits for poverty-alleviation and climate-abatement work, then we create a whole new pool of capital for social good in the world, one that grow quickly as companies can do - are especially bound to in the solar revolution - so massively amplifying the impact of the kinds of funders who have supported SolarAid to date."

Notes to editors:

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About SolarAid

SolarAid is a London-based international charity that believes in business-based solutions to poverty and climate change. SolarAid was founded in 2006 by the solar sector to explore and create clean, safe, affordable energy for all.

In 2008 SolarAid created a social enterprise called SunnyMoney to run it’s on the ground operations in Africa. SunnyMoney uses an innovative distribution model to sell solar lights in rural off-grid communities currently dependent on costly, toxic kerosene for lighting. By building a sustainable market for solar products SolarAid and SunnyMoney aim to eradicate the kerosene lamp from Africa by 2020.