

Business Innovation Facility

Malawi: Pico Solar Products



BIF aims to achieve poverty reduction by providing consultancy support to the private sector. BIF will work with companies to grow inclusive business models and tackle constraints that affect the whole market. The programme will operate for four to five years, initially in the selected markets of Pico Solar Products, Pigeon Peas and Rice in Malawi. The three markets were selected based upon their potential for growth, relevance to the poor, and where BIF could have the biggest impact.

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Pico Solar Products (PSPs)

Technological advances bringing increased quality and lower prices, coupled with business innovation, has enabled a boom in the global PSP industry. There was a 300% growth in sales of quality-assured solar lighting products across Africa in 2013. 7.7 million people in Africa now enjoy access to clean, safe lighting using quality solar products. The products provide bright light and mobile phone charging, and the cheapest are now available for just \$10.

Alternative methods of lighting such as kerosene, candles and torches provide low-quality light are damaging to health, are dangerous, and actually more expensive than modern electric lighting. However PSPs are yet to gain a significant market share in Malawi.

Example of a pico solar product: The "Firefly" with desk lamp and phone charger



BIF PSP Market Strategy

BIF's vision for the PSP market in Malawi is:

"A high growth market which is driven by profitable market players who are able to meet increasing demand from low income consumers through sales of accessible, affordable and quality PSP products."

BIF interventions will focus on:

- Exploring new and better ways for PSP importers to **market and distribute products**, for example by partnering with other businesses and utilising last-mile agents; and
- Looking for novel finance mechanisms to **increase sales to low-income consumers**.

BIF is seeking partners with innovative ideas in these areas; please contact us if you are interested in working together.

BIF will be working closely to complement other key PSP market development initiatives targeting low consumer awareness and policy barriers. This includes projects in the pipeline being lead by SolarAid in partnership with the Scottish Government, and the Energising Development (EnDev) programme.

The PSP market in Malawi

BIF completed a detailed PSP market analysis and strategy in consultation with market actors and stakeholders. The primary identified constraints to growth include:

- Low levels of **consumer awareness**
- **Affordability** of products
- **Market intelligence** and lack of business partnerships
- **Access to finance** for enterprises and consumers
- **Taxation** and a **lack of policy support**
- Awareness of **product quality** and a lack of quality standards

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