

Market Analysis for Solar Home Systems in Sierra Leone

SNAPSHOT : SOLAR HOME SYSTEM & SOLAR ENERGY POLICY SEPTEMBER 2016

The Government of Sierra Leone (GoSL) has taken a keen interest in the performance, availability and access to energy throughout Sierra Leone as a post-Ebola recovery pillar. The GoSL is targeting increased large scale energy generation, improved distribution and improved performance of the solar home system (SHS) energy market concurrently.

At the start of 2016, Sierra Leone's Ministry of Energy and DFID organised the Sierra Leone Energy Revolution with support from Adam Smith International, SOBA and Power for All. The event was part of the UK's Energy Africa campaign which aims to help the continent achieve universal energy access by 2030.

Focus on Solar Technology

In the autumn of 2013 the Government of Sierra Leone issued a National Energy Policy and a Strategic Energy Plan for the coming years. Although fossil fuels will remain the main energy source for the country in the short-term, according to the policy, renewable energy sources will become more important in the future. Specifically, solar PV will be essential for street and security lighting, telecommunications, hospitals, clinics and households in rural areas. Alongside the proclamation, the GoSL also outlined legislation that it planned to introduce to attract private sector interest in renewables as well as power generation more broadly.

Regulatory Barriers for Solar Home System Market in Sierra Leone

- **No consumer protection.** There is no licensing or standards in place that preclude any brand or model from the solar market. Sale and installation of solar equipment does not require any particular licensing either.

- **High import duties.** Reducing or removing taxes associated with the importation and sale of quality solar equipment (40 percent duty) will improve the retail pricing and increase profit margins for the SMEs who are active in the market.

Sierra Leone Energy Africa Compact Introduction

The Minister of Energy signed the Energy Africa Compact in May 2016, effectively outlining a pathway for reform and investment aimed at catalysing solar home system/lantern market performance. The Compact is part of the UK's Energy Africa campaign which seeks to accelerate the expansion of the household solar market across Africa, and help achieve universal energy access across the continent by 2030. Commitments in the Compact include:

- Power for all by 2025 (five years ahead of Sustainable Development Goal 7 and Energy Africa Access campaign target of 2030)
- Modern power to one million people by 2020

Implementation Gap

Due to overlapping mandates in Sierra Leone, there are many public sector actors and institutions with a role in energy reform. These institutions include:

- The Ministry of Energy
- The Electricity and Water Regulatory Commission
- The Parliamentary Energy Oversight Committee

- The Ministry of Finance and Economic Development
- The Standards Bureau

Numerous stakeholders with overlapping mandates can be a challenge when designing policy. It requires a multitude of actors reaching an overarching consensus, which can be both time consuming and costly. While senior civil servants design policies, it is up for more junior staff to implement and operationalise them which may sometimes prove challenging. For example the introduction of the import duty waiver for certified solar products proved to be difficult in terms of operationalisation. Engaging ministerial departments and agencies individually and collectively is crucial to understand the landscape in which the duty waiver is placed.

In the context of Sierra Leone, while there might be appropriate policies in place to support the solar market, poor implementation prevents the market's development.

Advocacy & Public Sector Partners

Collective action and advocacy has emerged as important way of addressing some of the seemingly intractable challenges hampering renewable energy and solar home system market specifically. There are various

organisations, which advocate on behalf of consumers and distributors to ensure the governments energy access targets are met.

These include:

- **The Compact Implementation Taskforce** which acts as an important temporary body in advocating for systemic change within the public sector. The Taskforce, works in a collaborative structure which includes ministerial bodies and agencies, REASL, Power for All, SOBA as well as the Presidential Delivery Unit and DFID.
- **Renewable Energy Association of Sierra Leone (REASL)** which is the country's first-ever private sector trade and industry association. This group was formed in February 2016, establishing a critically important partner for the Government and other stakeholders. Through its advocacy efforts REASL tries to address universal challenges faced by the private sector within the renewable energy space.
- **Power for All** which is a campaign group with a focus on decentralising energy access. So far the group has focused on educating consumers, civil servants and the media on alternative mechanism of achieving energy access.