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# SUCCESS STORY

## USAID/Power Africa Grantee Lights Up Over 81,000 Households in Malawi

Yellow, a leading supplier of Pay-As-You-Go solar home systems (SHS) in Malawi, connected a milestone 81,919 households to electricity as of June 2021. With an estimated average of five members per household, this enterprising company has been able to bring affordable, reliable and clean energy to nearly 410,000 people across the country. Yellow is a grantee under USAID's SHS Kick-Starter Program for Malawi.

To accelerate access to electricity in Malawi, the USAID Southern Africa Energy Program (SAEP), a Power Africa initiative, launched the SHS Kick-Starter Program in July 2019 and awarded a total of USD \$2 million in results-based grant funding to four SHS companies. Under the program, SAEP provides grant funding to the companies in installments based on quarterly sales performance against targets. In addition to grant funding, the program provides companies with streamlined access to operational support. SAEP has trained the awardees on project management, sales force effectiveness and agent recruitment and retention. The overall goal of the training is to improve sales capabilities by enhancing the organizational and sales execution capabilities of sales agents and supervisors to increase sales.

Yellow has been operating in Malawi since 2018, selling affordable solar powered systems to low-income customers. Many of Yellow's customers used candles and battery torches for light before purchasing a SHS. The SHS is an all-in-one kit that comes with a small solar panel. It includes high-efficiency LED lights that are installed around the house and a console that charges phones and has a radio. Yellow's sales agents also install the device, thereby bringing electricity to many households for the first time. Yellow recently launched smartphones as part of their product range. Once customers have access to electricity, Yellow offers a smartphone to the customer at a cheaper price based on their "Dolo-level".

A customer's "Dolo-level" increases as the proportion of their already paid-off unit grows. This initiative helps ensure credit protection on the SHS units on which customers are paying installments and enables customers to build a credit history.

With the support of the grant, Yellow has:

- Scaled rapidly, hiring around 600 sales agents
- Increased sales volumes while maintaining a high-quality credit portfolio
- Opened a new sales office in Northern Malawi

The SHS Kick-Starter was catalytic in enabling this growth. Because Yellow strategically used the grant funding to raise further capital, the end of the grant funding will not stop the growth trajectory of the business, which is well-positioned for success in the market. As this demonstrates, the SHS Kick-Starter Program will continue to have life-changing impacts beyond the grant period by improving the living standards of rural households and enabling income-generating activities for communities across Malawi.

*"Thanks to the Solar Home System Kick-Starter Program we have been able to grow and reach out to many unserved and underserved Malawians while creating new jobs and improving the lives of people."*  
Cynthia Makunganya, Operations Manager, Yellow