

Focus on Bringing Clean Cooking to Haiti



The SWITCH Project in Haiti

SWITCH for a better future... This case study looks at the project driven by SWITCH on how to break the barriers to clean cooking in Haiti.

SWITCH is a social marketing and manufacturing enterprise whose goal is to improve livelihoods, protect the environment, preserve health, create jobs and empower women by substituting propane to charcoal as a cooking solution. The objective is to set a DURABLE and profitable mechanism that allows most Haitian households to permanently convert to LPG, therefore improving their livelihoods and their environment and bringing market based solution to an urgent national problem with the support of remittances from the Haitian Diaspora. The unique SWITCH business model is to sell LPG stoves, with cylinders, to the Haitian diaspora to be delivered to their family in Haiti.

This solution overcomes the primary barrier to entry to using LPG for most Haitian families which is the cost of their LPG starter kit.

World LPG Association

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1. The LPG Market in Haiti

Haiti is an early stage market importing 28,000 tons of LPG per year compared to one million tons in the neighbouring Dominican Republic, which has the same population.

- Haiti covers a total area of 27,750 km² and has a population of around 10 million
- Annual consumption is around 2.8kg per capita
- Haiti is the only country in the Americas with less than 5% penetration of LPG
- 2 million households (95%) cook exclusively with wood charcoal



2. Barriers to LPG Adoption, Expansion and Investment

A combination of several powerful factors mean there are considerable barriers to adoption of LPG:

- Limited purchasing power (76% of the population with less than 2 USD per day)
- No credit mechanism
- Very old cylinder park
- Lack of regulation
- Weak distribution network to exchange bottles
- Government cannot massively subsidise

3. The Mission

The goal of SWITCH is to set a durable and profitable mechanism that allows most Haitian households to permanently convert to LPG and consequently improve their quality of life and environment.

4. The Solution

SWITCH proposes an integrated approach to achieve profit with a purpose.

- Set a durable and profitable mechanism that allows most Haitian households to permanently convert to LPG therefore improving their livelihoods and their environment
- Manufacture/assembly for the best price and best reaction to demand
- Offer a complete kit to reduce costs, a starter kit at 160 USD
- Create a national distribution network through participating petroleum station (no exclusivity - vicinity is key)
- SWITCH "machann manje Kwit" (street vendors), orphanages and schools
- SWITCH – Charcoal free villages
- SWITCH – Diaspora
- SWITCH – Corporate backed lending

The Manufacture

SWITCH manufactures one and two-burner stoves for street vendors.

Assemble the imported household model.

Manufacture the stands for the table top model.



Street Vendor Programme

Target: 8,000 à 10,000 street vendors

Strategy: Three types of stoves accessible for a lower price than current market price. Payable over a year period.

Current partners: ICTP/USAID, Recho PAW, ACME

To date: 725 street vendors



Charcoal free villages

Target: 2,750 social housing

Our approach: Integrated solution, cylinder warehouse on site, social engineering, training

Current partners: Government of Haiti, USAID

Already converted: 1150

This project also serves as a pilot to draw lessons for LPG penetration strategy for the rest of the country.

Diaspora

There are over three million Haitians living abroad, especially in Florida, home to over 400,000 first generation Haitians. This diaspora is a powerful entity, having a sense of modernity and are concerned by the environment in their home country. The SWITCH Diaspora programme aims to tap into their purchasing power. SWITCH will offer a complete starter kit, costing 160 USD (premium) to be remitted to family in Haiti. SWITCH will create a national redeeming network with petrol stations and other retailers and facilitate a 'top up/exchange' programme through remittances.

5. Corporate Backed Lending

- Financing the acquisition is key for the working classes
- Haiti has no credit bureau and very low credit portfolio
- SWITCH partners with a bank to offer a green credit
- Employers can enroll their employees for ten monthly payments
- Employers guarantee monthly payments by direct withdrawal from payroll
- Current partners: Banque Populaire Haïtienne (BPH), Media Mind Marketing, Groupe Rainville of Canada and Valerio Canez



One of the next key steps will be to assure a stock of stoves and cylinders

FACT

- 2% of forest left in Haiti
- 30 million trees cut per year
- 3 million Haitians live abroad
- Using LPG can help a family save 180 USD per year

6. Distribution and Refill Strategy

- Exchange Policy (allows us to be in the hearts of bidonvilles)
- The first phase of this projects targets urban areas only
- Adapted and pervasive network as a priority: petroleum station throughout the country, hardware stores in secondary cities and small franchised shops with trained staff and a minimum of 25 bottles in populous areas
- Small local franchisee to build on guarantee of safety and integrity to retain its customers

7. Burner & Cylinder Investment and Management

For this major LPG substitution programme, SWITCH have ensured, through research and focus groups, that a stove is developed that is adapted to the constraints, habits and realities of living, and cooking, in Haiti. To increase consumption for families with low incomes, consumers have access to affordable small-scale products best suited to their levels of daily income.



The SWITCH Double burner is assembled locally to reduce price and better manage the inventory



8. Education and Sensitisation

SWITCH success and durability depends not only on the support of the Haitian diaspora but also on the adoption of LPG as the primary cooking method. To this end, education and sensitisation are key to the success.

- Beneficiaries receive correct training on safety measures and on how to cook with LPG at all kit collecting points, before they take it home
- Building synergies to maximise the impact of communication
- Matching eagerness to move up the social ladder with efficient awareness raising on environmental and economic benefits and safety norms
- Charcoal is more expensive and unsustainable (currently a household uses two cans of charcoal per day, 1.50 USD. LPG use is 1 USD per day so potential savings of 175 USD per year)



SWITCH Training

9. An Exceptional Energy

- LPG is an exceptional energy that can help the shift towards a low carbon economy because of its significantly lower greenhouse gas emissions.
- Cooking with LPG also decreases the number of people at risk of the adverse health effects from indoor air pollution.
- Fuel gathering consumes a great deal of time for women and children, limiting other productive activities and taking children away from school.
- With households switching to LPG this will also contribute to gender equality and help empower women, freeing up women's time for income generation and education.



10. Acknowledgements

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