



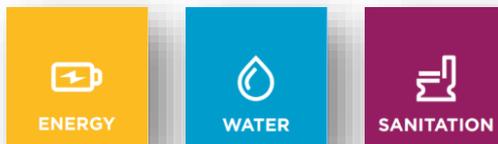
M4D Utilities

Problem

In emerging markets, close to 1 billion people live without electricity, 2.1 billion people lack access to safely managed water and 2.5 billion people do not have access to basic sanitation services.

Mission

To unlock commercially sustainable business models that leverage mobile to deliver affordable and improved energy, water and sanitation services in emerging markets.



This initiative is currently funded by the UK Department for International Development (DFID), the Scaling Off-Grid Energy Grand Challenge for Development and supported by the GSMA and its members.





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Innovation Fund

50+ projects supported between 2014 and 2019 across 3 verticals (Water, Sanitation and Energy) and 3 continents



Pre or Post-revenue



Mobile-centric



Start-ups, MNOs or Utility Companies



Socio-economic impact



Africa or Asia Pacific



3 verticals: energy, water, sanitation

Selected grantees receive:

Funding:

Seed grants up to **£150,000** or
Market Validation grants **£300,000**



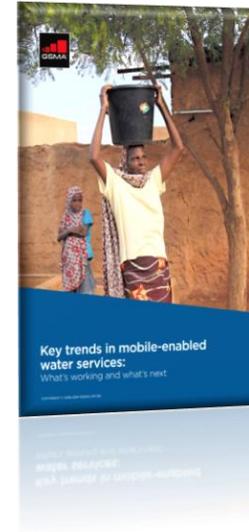
Mobile-focused **mentoring** and bespoke technical assistance



Opportunities to build partnerships with **mobile operators**



Knowledge Sharing and Convening





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£9.4M of grant funding allocated to 53 projects between 2012 and 2019...



5M

beneficiaries have been impacted by the portfolio



£223M

in additional funding has been raised by the portfolio mostly from commercial investors.



16

now have partnerships with mobile network operators.



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Mobile Payments



Mobile payments (mobile money services, SMS payments, airtime) can enable the development of PAYG models

Sales, distribution and branding



MNOs' sales and distribution channels and with their recognisable and trusted brand is leveraged to reach underserved customers

Machine-to-machine (M2M) connectivity



Smart metering and monitoring of utility systems and remote control of services to customers on a pay-as-you-go (PAYG) arrangement

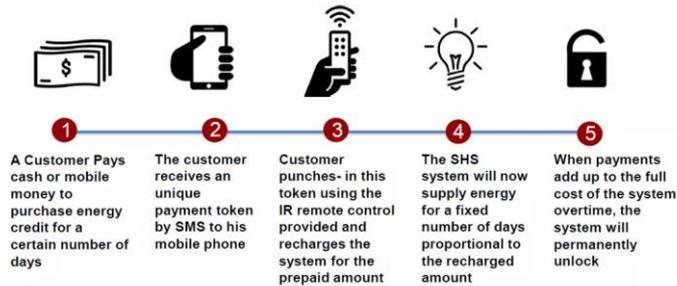




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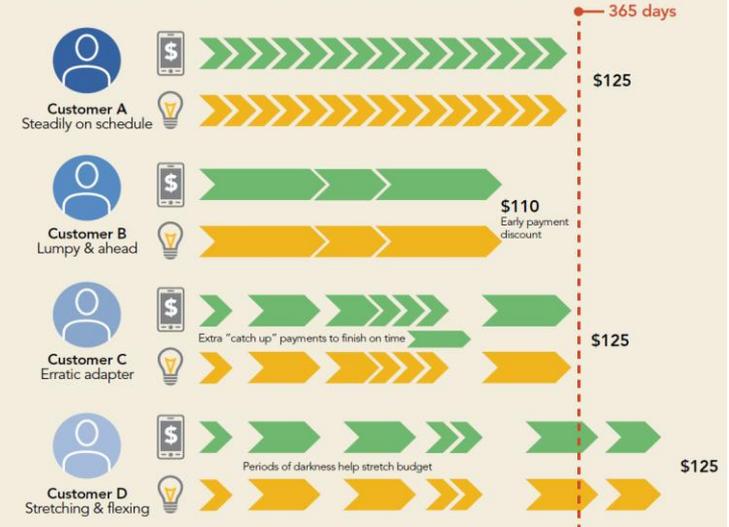
Pay-as-you-go, an innovation unlocking energy access for the poor

How Mobile-enabled PAYGO works?



Daily PAYGo models allow for a wide range of repayment patterns that are not necessarily considered "delinquent."

Possible payment patterns on hypothetical PAYGo plan
Loan with \$15.50 deposit + \$109.50 due in \$0.30 daily payments over 365 days



Source: "Escaping Darkness - Understanding Consumer Value in PAYGo Solar (CGAP, FIBR, Mastercard Foundation)"

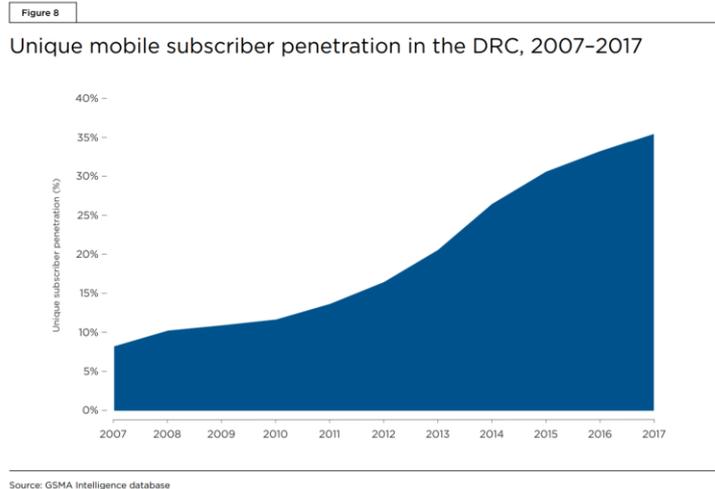


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DRC – The Addressable Market/Key Figures

Challenge: Electricity Access → 1% rural, 19% urban (Power Africa, 2019)

BUT



This gap represents a substantial opportunity for pay-as-you-go solar providers and mobile operators to partner up and help further extend electricity access in the DRC



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Pay-as-you-go solar as a pathway for financial inclusion and economic empowerment

Pay-as-you-go allows low-income customers **to build a credit history** and **gain access to more sophisticated financial products** (MFI-or banking loans), or leverage their SHS repayment for other **productive use assets**



Sunculture (Kenya) customer with her solar water pump

“Once customers complete payments of their solar system, they can acquire credit for additional products by allowing M-Kopa to maintain control of the solar system in case payments cease.

This technology-enabled approach to financial inclusion has led to nearly one in five M-Kopa customers upgrading to low-energy TVs, clean burning cook stoves =, smart phones, and other digital financial offerings like e-coupons for agricultural inputs .” (Source: M-Kopa (2019))