



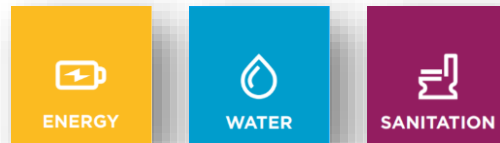
# M4D Utilities

## 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.*





# M4D Utilities

## 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**



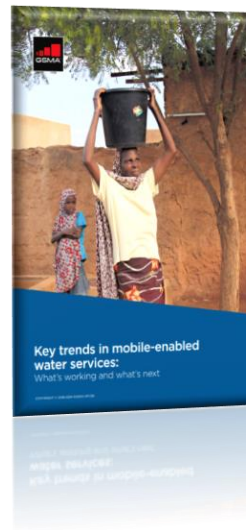
Mobile-focused **mentoring** and bespoke technical assistance



Opportunities to build partnerships with **mobile operators**



## Knowledge Sharing and Convening



# M4D Utilities





# M4D Utilities

£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.



# M4D Utilities

## 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

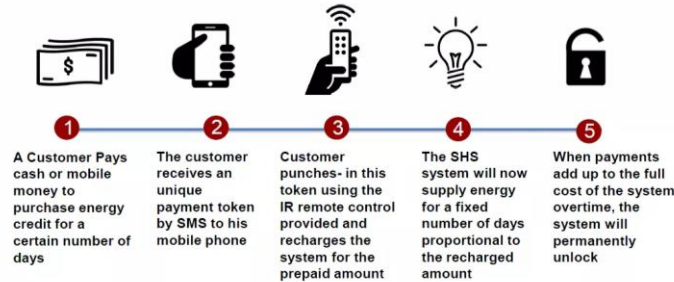




# M4D Utilities

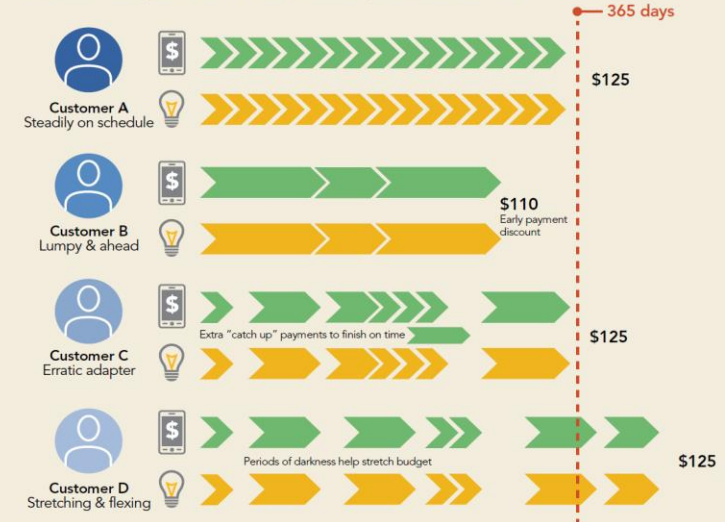
## Pay-as-you-go, an innovation unlocking energy access for the poor

### 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)"

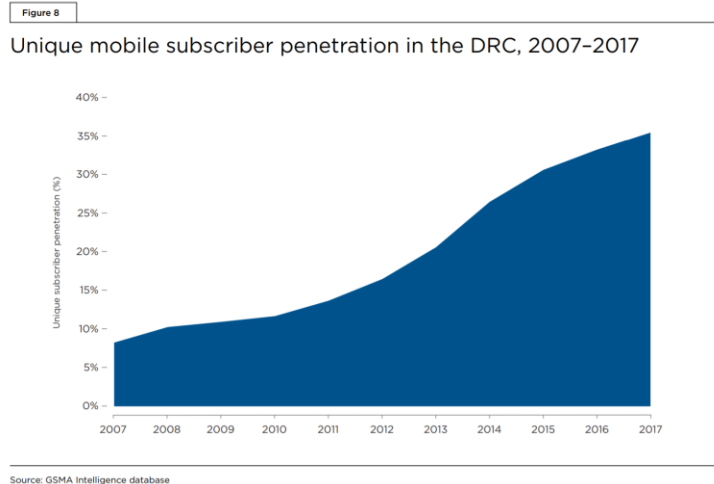


# M4D Utilities

## 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**



# M4D Utilities

## 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))*