



Affordable and Clean Energy through DIGITAL FINANCIAL INCLUSION

Over 1 billion people lack access to electricity.¹

THE OPPORTUNITY

Digital payments enable solar companies in Africa and Asia to offer pay-as-you-go energy to millions of low-income families – a clear win for people and the environment.



CHALLENGES*

Only 1 in 4 utilities in emerging economies are financially viable, limiting their ability to grow.²

Nearly 1 in 4 of unelectrified households – largely rural – would be best served by lower-cost distributed energy solutions such as rooftop solar.³

Globally, 1 billion adults who have a formal account pay for utilities in cash, making utility companies inefficient.⁵



SOLUTIONS*

Digital finance helps utilities and mini-grid operators shift toward **low-cost, prepaid, or pay-as-you-go services**, increasing financial viability.

20 million unelectrified households could benefit from pay-as-you-go solar energy by 2022.⁴

Digital payments can **help reduce costs, expand access to energy, and boost investment**.⁶



“Ensure access to affordable, reliable, sustainable, and modern energy for all.”

GHANA AND CÔTE D'IVOIRE **PEG Africa** uses its solar devices to help customers establish a credit rating and access loans and is on track to reach **500,000 people** with this life-changing service.⁷

UGANDA Replacing cash with prepaid cards and mobile payments helped national electricity distributor Umeme **raise its collection rate from 84% in 2006 to 98% in 2016**, enhancing financial viability.⁸



KENYA M-KOPA, a pay-as-you-go solar company, has raised \$65 million in local-currency debt, using its expected future revenue in digital payments as collateral. With only cash payments, the company would not be able to continue expanding in underserved areas.^{9,10}

WORLDWIDE There are 690 million registered mobile money accounts¹¹ enabling new business models for affordable and clean energy companies. Pay-as-you-go solar companies have used digital finance to provide **10 million people with affordable, modern energy**.¹²

* These represent only a few of the many important challenges and solutions. They should not be read as an exhaustive list.



BETTER THAN CASH ALLIANCE



THE WORLD BANK

SEPTEMBER 2018