

## **PEG Africa wins 'Scaling Off Grid Energy Grand Challenge' grant from USAID to pilot innovative ways to help customers pay through mobile money in Ghana**

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**Accra, Ghana.** PEG Africa, West Africa's leading pay-as-you-go financing company, with operations in Ghana and Ivory Coast, has been awarded a grant to pilot strategies to make it easier for customers to pay through mobile money. The grant was provided by the Scaling Off Grid Energy Grand Challenge, an initiative of USAID in partnership with DfID and Shell Foundation that is supporting solar home system companies to scale up commercial delivery of modern energy services to households in sub-Saharan Africa.

PEG provides financing for solar products to low-income households on a 12 month pay-as-you-go-plan. PEG's typical customer lives in a rural area and earns \$5-\$10 per day, spending up to 30% of that income on poor quality fuels such as kerosene, candles and batteries. While these customers have little ability to purchase a solar home system for cash, the pay-as-you-go plan allows them to purchase it over time, building ownership in the asset over 12 months with daily payments of 50 cents.

The popularity and prevalence of mobile money has been key to the success of the PAYG business model in East Africa. Mobile money allows customers to pay in small amounts from wherever they are, solving the expensive logistical problem of collecting cash payments from remote and dispersed rural customers who often live hundreds of kilometers from the nearest city. In this way, mobile money can be crucial to building a financially sustainable and scalable business model that targets rural customers.

While East Africa has been a mobile money success story, the vast majority of Africa has low mobile money penetration and this is a major challenge to the expansion of the PAYG model. PEG is a pioneer in developing approaches that overcome the obstacles associated with this challenge, and this grant will allow PEG to pilot innovations that address it.