



SIINC Outcomes Fund for Off-Grid Clean Energy

Pushing the boundaries of high impact businesses with next generation Results-Based Finance

March 2020



The social impact of energy access is real, but ...

The sector is not as inclusive as it could be

“... a little over a third (37%) of off-grid energy customers live in poverty. This compares to 60% across the countries where our projects were undertaken”



Source: 60 Decibels, Why off-grid energy matters, 2020





And ...

As companies grow, they move upmarket

”Companies appear to focus less on the poor, as a proportion of their customer base, as they grow”



Source: 60 Decibels, Why off-grid energy matters, 2020





Inspired by impact bonds ...





IMPACT α ALPHA

INVESTMENT NEWS FOR A SUSTAINABLE EDGE

FULL STACK CAPITAL

Social Impact Incentives Aim to Tilt Businesses Toward the Needs of the Poor

BY DENNIS PRICE • JANUARY 19, 2016

ImpactAlpha, 19 January 2016

February 2020

Slide 5



Roots
of Impact



Learnings form “traditional” RBF programs

- Companies tend to focus on the “low hanging fruits” (e.g. urban areas)
- Limited targeting of disadvantaged groups
- Little incentives for sustainability
- Limited focus on leveraging private sector investment (growth capital)



How to enable and motivate off-grid energy companies to deliver deep impact at scale ?



Source: [Flickr](#)





The Outcomes Fund combines two major innovations that have proven to work in practice

SIINC

by



+

Lean Data

by

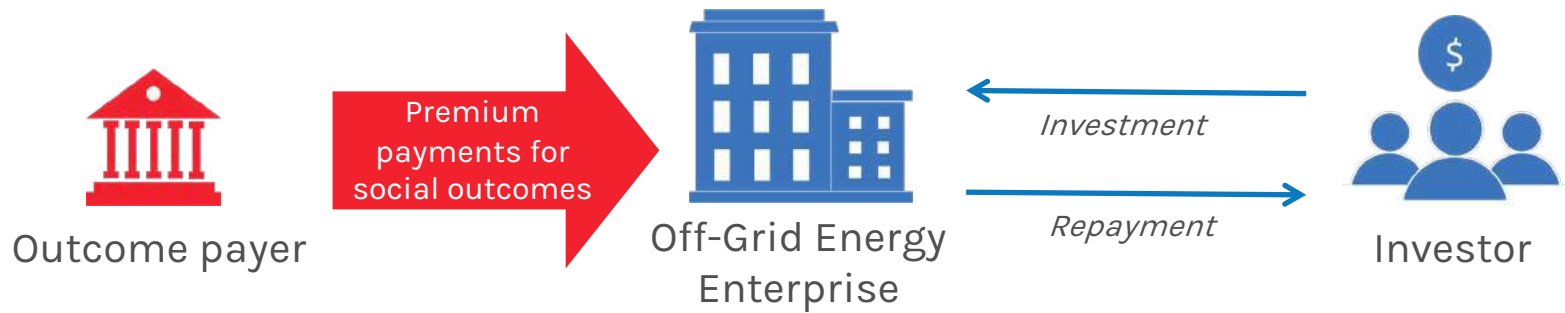
60__decibels

Social Impact Incentives for
high-impact enterprises
raising investment to scale

Highly efficient measurement
of customer insights and
outcomes on household level



Leveraging SIINC for off-grid clean energy



1 \$ incentive* for achievement of positive outcomes for end-users

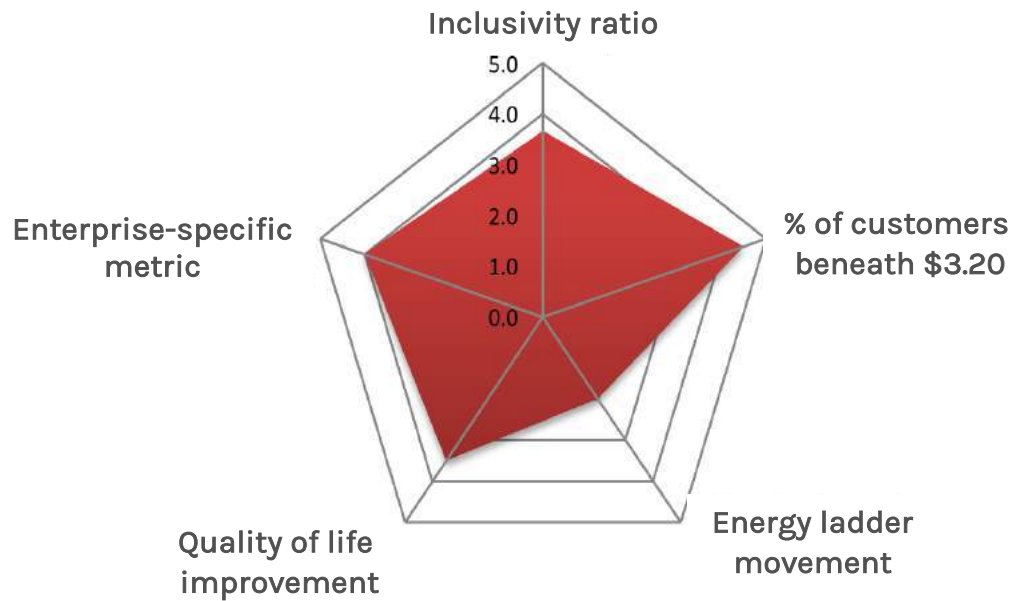


Attracting 4 \$ growth capital on average* for off-grid energy enterprises

* highly dependent on context



Beyond subsidizing product sales: Incentivizing positive outcomes for end-users



Source: [Flickr](#)



Source: [Flickr](#)



Outcome-based approaches have significant advantages

Move from supply to demand perspective



Increasing the significance of the customer's position

Comparability



Outcomes can be compared across projects and products

Alignment of interest

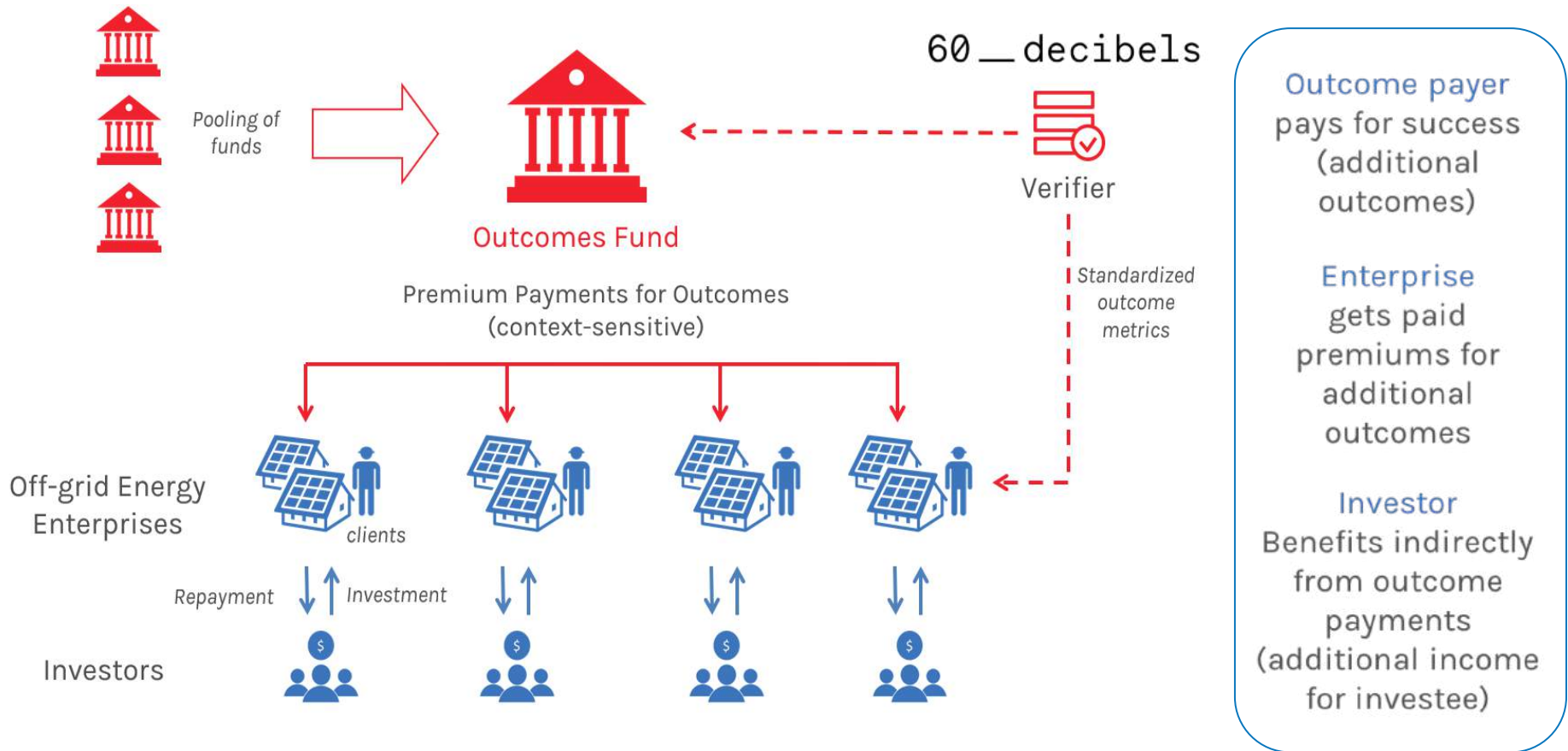


Supporting strategies in line with enterprise's development plans and facility's development mandate





The SIINC Outcomes Fund aligns stakeholder interests around outcomes



Outcome payer
pays for success
(additional outcomes)

Enterprise
gets paid
premiums for
additional outcomes

Investor
Benefits indirectly
from outcome
payments
(additional income
for investee)



Project partners

Project initiator



Impact measurement

60 — decibels

Knowledge partners



Seed funding partner



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

**Direktion für Entwicklung
und Zusammenarbeit DEZA**





Thank you for your attention

