



Fostering access to energy for the poorest people through an innovative leasing scheme

PHILIPPINES

- 105 million inhabitants
- 113th country out of 189 in the HDI*
- 21% of the population living below the poverty threshold

*Human Development Index
Source : hdr.undp.org



MILLENNIUM GOALS



BACKGROUND



Severe energy shortages

Manila's slums are overcrowded and dark, with inadequate connection to the electricity grid. The atmosphere there is tense. In order to light their homes and reduce the sense of insecurity, families use candles or kerosene lamps, or even tap in illegally to a more fortunate neighbour's meter. But these alternatives are very costly, very dangerous and insufficient to meet people's lighting and security needs.

MISSION



An appropriate lighting solution

Entrepreneurs du Monde created ATE Co. in 2015 to help these families equip themselves with their own affordable, robust solar kit powered by lithium batteries. Each kit provides 3 lighting points and a phone charger. To allow the poorest people to access these kits, the team offers a leasing scheme called Pay-As-You-Go (PAYG); a flexible, cost-effective and sustainable system that allows customers to pay for their equipment according to their financial means, and eventually to own it.

METHODOLOGY



An appropriate lighting solution

A solar kit with remote activation technology is installed by the ATE Co. team with no initial investment required. The facilitator visits families regularly to collect the equivalent of a few days' consumption, according to the family's ability to pay. This modest payment triggers the sending of a code by SMS that allows the family to activate their solar kit. After a few months of «hiring», the family will own the kit and benefit from high-quality, free, unlimited and renewable solar lighting.

SUPPORT



Structuring and consolidation

Since the creation of ATE Co., Entrepreneurs du Monde has supported its structuring and development at all levels: legal, operational and financial. The programme manager, currently a French lady, is closely supported not only by the Entrepreneurs du Monde manager in the Philippines, based in Manila, but also by the Asia and Caribbean Energy Programmes Manager, based in France, the Finance team, and the Social Performance Management team. In the long term, ATE Co. will be a viable and sustainable social enterprise under local law, supported by a 100% Filipino team.

NOLIBETH seller of solar kits



Each evening, I go out selling yogurt around the neighbourhood. I take one of the portable kits with me, and people see that the lamps are really effective. I sold 91 lamps in 6 months!

Having light to live by, to sell by and to make us feel safe is life-changing!

I also install solar kits on roofs and collect payments. I am really pleased to be providing my neighbours with clean and economical energy. And thanks to this additional income,

I can see my future broadening out: I would like next to open a grocery store, and finance my daughters' education.



70% OF DIRECT BENEFICIARIES ARE WOMEN

FOCUS

TURNING BENEFICIARIES INTO COLLECTORS AND TECHNICIANS

Since February 2018, ATE Co. has been trying to turn beneficiaries into technician-facilitators in order to be able to assure prompt maintenance.

Collection agents

To begin with, ATE Co. trained Émilie, one of the first women to receive a kit, to ensure the daily collection of payments from about fifty families in her neighbourhood. Émilie earns commission which provides her with an income to complement that from her grocery store. Following this first success, ATE Co. decided to involve its beneficiaries as much as possible by making them representatives in their neighbourhoods, in order to help equip a larger number of families more quickly, while ensuring the quality of a daily local service. Two other similarly trained agents have already joined the team.



Technicians

ATE Co. replicated this arrangement by training technicians to install kits and assure their prompt maintenance when called out by ATE Co.'s after-sales service (e.g. when cables are chewed by rats). At the end of 2018, ATE Co. had 2 employees, one of whom will be employed full-time early in 2019.



Prospecting agents

Finally, the team trains prospecting agents living in the areas where ATE Co. operates to introduce the service and to identify the families who need to be equipped as a priority. They are trained and paid on commission, which allows them to generate additional income.



KEY FIGURES

	No. of families equipped	No. of new indirect beneficiaries	Revenue generated	No. of employees as at 31/12	Savings realised by families (€)
2018	275	1,375	20 K€	11	31,318
Objectives 2019	1,200	6,000	177 K€	24	186,966

HIGHLIGHTS



Expanding to new areas

Initially, ATE Co. offered its services exclusively in the slums of Manila. In 2018, it expanded its activities to outlying areas of the capital, where people evicted from the central slums had been relocated. In these outer areas, families are even further away from their place of work... and from the electricity grid. In 2018, ATE Co. equipped the first 50 of the families there.



First families to own their kits

In 2018, ATE Co. equipped 270 families, making a total of 400 since the creation of this social enterprise. The first forty-nine families became owners of their kits when they finished paying for them in 2018. Among them are 34 women, a figure which is in line with the social objectives of the programme.

OUTLOOK



Expanding into rural areas

ATE Co. will extend its range to meet the need for more efficient kits which can power a fan or a refrigerator. It will also expand its activities to Samar, one of the poorest islands in the country. Rural areas suffer from sparse and poor quality connection to the electricity grid. To provide access to solar power, ATE Co. will work in partnership with SCPI, a microfinance institution which Entrepreneurs du Monde has been incubating for 2 years now.



Piloting new systems: the micro grid

To meet a clearly-identified demand, ATE Co. will set up a micro grid pilot project in a village of 50 to 100 households with no access to electricity. This OKRA equipment pilot has been successfully tested by the Cambodia Energy Team and replicates a service that ATE Co. knows well: training for technicians and beneficiaries in solar energy and the regular collection of payments.

PARTNERS



CONTACTS

- Programme Manager
 - > solene.gondrexon@entrepreneursdumonde.org
- Philippines Coordinator
 - > khristin.hunter@entrepreneursdumonde.org
- Head of Energy Unit/Asia and Caribbean
 - > alexandre.borme@entrepreneursdumonde.org

ON THE WEB

- > www.entrepreneursdumonde.org
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