

Crowd Power

'CP1' Takeaways



June 2018

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Impact

- £3,400,000 raised across all Crowd Power supported campaigns
- 307,000 beneficiaries from Crowd Power supported campaigns
- 250+ campaigns supported
- 56,000+ tonnes CO2 reduced from Crowd Power supported campaigns
- 120+ jobs created as a result of Crowd Power supported campaigns
- 500+ downloads of three published Crowd Power research papers

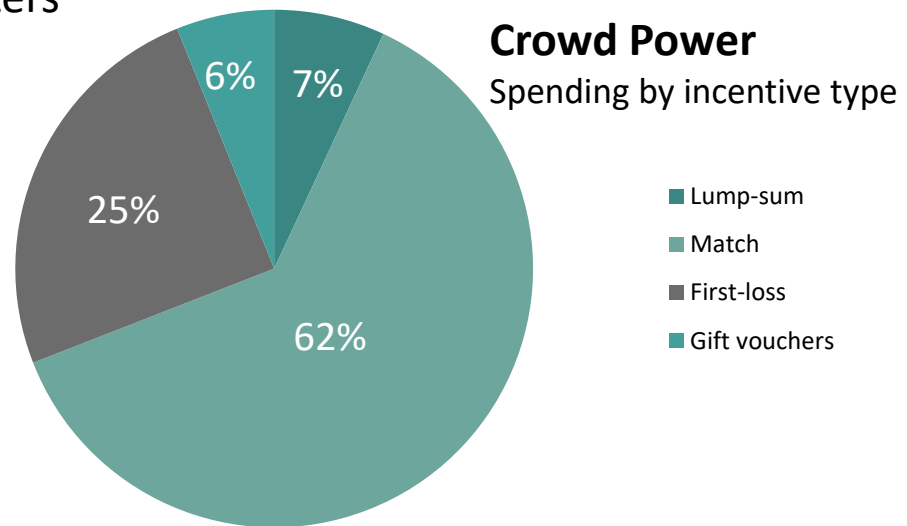


Funded by Crowd Power – TAHUDE Foundation, Tanzania on GlobalGiving

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Summary

- Crowd Power 1 (CP1) is wrapping up June 2018; hope to transition to Crowd Power 2 (CP2) in August 2018, building on learnings from CP1
- CP 1 supported **252 campaigns** and **raised £3.4M** with **£460k in direct support** by providing match funding, lump-sum payments, gift vouchers and first-loss guarantees to eligible campaigns
- For each **£1** contributed by UK aid via ‘direct support’ campaigns attracted **£6.40** from crowd investors and supporters
- Research into crowd’s motivation to participate found ‘alignment with personal values’ was the #1 cited motivation across all platform types; financial return ranked #1 for eCF respondents and #4 for debt CF respondents (12 options)

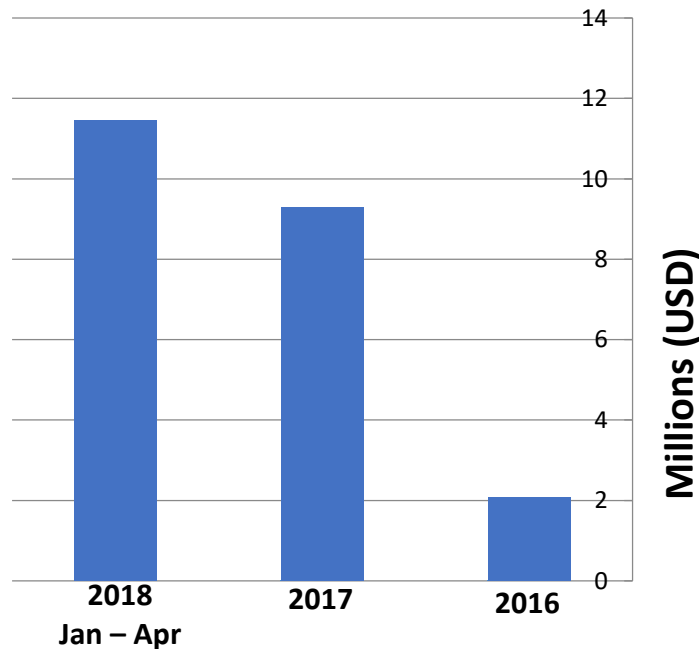


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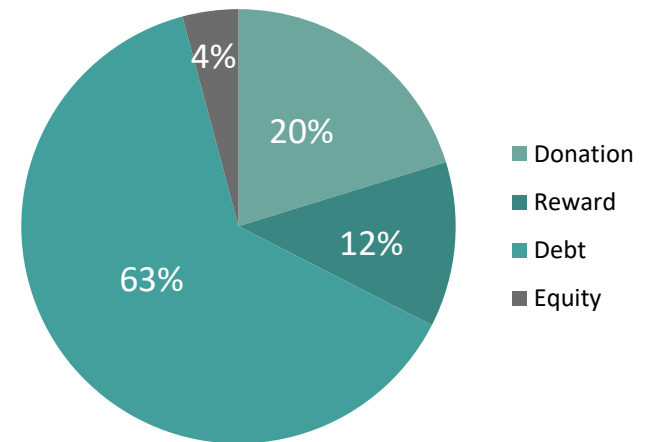
- Debt crowdfunding – and in particular SME Lending – is the most significant growth area in energy access crowdfunding
- SME lending has grown from close to zero in 2015 to £1.5M in 2016, £7M in 2017 and £8.7M so far in 2018 (January to April incl.)

Energy-access debt CF SME lending growth during CP1



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Spending by platform type



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CP1 Takeaways

- Niche donation crowdfunding platforms can be useful for social enterprises to raise seed capital or funds for a specific milestone/project; typically £10k to £20k
 - E.g. M-Changa based in Kenya was used by social enterprises and an MFI to raise funds during CP1 (match funding from UK aid)
- Reward crowdfunding is a useful tool for early-stage companies to raise seed capital from their network; typically £20k to £30k
 - E.g. Indiegogo based in USA was used by Uganda/US based solar street vendor cart start-up Musana Carts to raise seed capital (lump-sum from UK aid)
- Equity crowdfunding may be underutilised by the sector – there were two energy access related eCF campaigns from 2015 – 2018, and one convertible note raise
 - E.g. Crowdcube based in the UK was used by UK based tech company Buffalo Grid to raise seed capital (lump-sum from UK aid)

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Where next?

- **De-risking loans** to SMEs via debt CF platforms through the development of FX hedging tools, guarantees and co-guarantees
- Encouraging **energy access cos to raise seed/Series A via eCF** some with co-investment from commercial investor
- Enabling **early stage cos to raise pre-seed/seed capital via rCF** platforms (and some niche donation CF platforms)
- Encourage the participation of **new debt CF investors** with a focus on diaspora and millennials – test different outreach approaches

