TESTING THE WATERS: APPLICATION OF DIGITAL PAYMENTS IN WATER AND SANITATION

Akanksha Sharma & Daniel Waldron
March 21, 2019
Our mission is to unlock **commercially sustainable** business models that leverage **mobile** to deliver affordable and improved **energy, water and sanitation** services in emerging markets.

*This initiative is currently funded by the UK Department for International Development (DFID), the US government through its Scaling Off-Grid Energy Grand Challenge for Development and supported by the GSMA and its members.*
Speakers

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Sr. Financial Specialist, World Bank
What is digital finance?

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- Credit/debit cards
- Internet
- Smartphone applications
- Blockchain
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299 million active mobile money accounts in December 2018 (GSMA)
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2018 Evaluation of Digital Finance in Water

Partnered to explore the current state of digital payments in WASH
We spoke with 25 organizations who are providing water and sanitation service, hardware, software, or grant funding.
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Who we spoke to: Types* and Geographies

- 4 Urban Utilities
- 7 Small Water Enterprises
- 6 Hardware Manufacturers
- 10 B2B Service Companies
- 3 Sanitation Providers
- 1 WSS Donor

*Some overlap may occur between types
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7 of 10 firms offering hardware or B2B services were facilitating digital payments.
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“[providers] are not going to increase the prices, so only way to become sustainable is to sell more or reduce costs“ – Lori Gonnu, 1001 fontaines
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**Safe Water Network**: Went from 30% net loss → 1% net surplus
Case Study: Safe Water Network

Change in Net Surplus/Loss due to DF

Original Net Loss

$ per cubic meter
Case Study: Safe Water Network

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Increase in CapManEx

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Case Study: Safe Water Network

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- Original Net Loss
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- New Net Surplus
- Increase in CapManEx
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Other advantages of digital payments

For water and sanitation service providers:
- PAYG is better with digital payments
- Transaction records create transparency
- Automatic payment reconciliation – IPN HUB

For mobile operators:
- Increase in mobile money usage
- Expanding mobile money use cases
- Digital literate and financially conscious customers
Use-cases for digitisation beyond payments

**Meter Reading**

Safe Water Networks, SweetSense, Drinkwell, NextDrop

**Billing**

Eg. Wonderkid

**Customer feedback and inquiries**

Wonderkid, Practical Action/Robi Axiata, NextDrop
But digitization still faces numerous challenges

Lack of Data

“No one was sure what the revenue status was—how much revenue had been billed and how much had been collected…the water was there, but people didn’t know how to pay.”

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Integration

“Some of the challenges [are]…the integration and local nuances with each local payment provider. Each country has a bit of their own standards and APIs. For a company that works in multiple countries…it’s a barrier.”
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Staff Cuts

“If we could move all payments to digital, we would be happy. Staff could work on other tasks, it would reduce transport and security costs, and customers would have added convenience”
Eldah Odhiambo, KIWASCO
Great expectations, tempered by reality

Digital payments can help:
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But no technology can solve for a lack of management, robust processes, or customer centricity
Discussion

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Q&A

Please submit your comments and questions using the chat box. Be sure to send them to “All Participants.” Thank you!

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You can write to us @ m4dutilities@gsma.com

Our latest Annual Report

Trends in mobile-enabled water

Learn about the IPN Hub

Toolkit for utility service providers to integrate with mobile money providers
Thank you

To learn more, please visit
www.cgap.org