



NewLight Africa  
 Website: [newlightafrica.com](http://newlightafrica.com)  
 Year Founded: 2014  
 Location: Nairobi, Kenya  
 Founder: Steve Andrews

INVESTMENT TERMS  
 Round Size: \$600,000  
 MC Share: \$200,000  
 Type: Equity  
 Date: September 2015

## MARKET NEED

Hundreds of thousands of people across rural Africa lack access to basic services like safe lighting, clean cooking technologies, and potable drinking water. Although products such as solar lights and clean cookstoves exist to mitigate the negative health and economic consequences people are experiencing, they are often unavailable or too expensive for low-income households to afford.

## THE NEWLIGHT AFRICA SOLUTION

NewLight Africa (NLA) is a direct marketing and distribution company that employs sales agents to market and sell socially and environmentally beneficial products to last mile consumers in East Africa. Under the brand name Heya!, community-based sales agents nominated by women's savings and loan groups sell a variety of products (e.g., solar lights) to their neighbors - generating entrepreneurial opportunities and access to beneficial products. Through NLA's pay-as-you-go (PAYG) system, products become affordable for low-income individuals who cannot afford the entire cost of the product up front. Since customers know the community sales agents personally, they are less likely to default on their payments, they trust in the quality of the products, and are more likely to buy additional PAYG items in the future.

## BUSINESS MODEL

NLA earns margin on products sold under the pay-as-you-go system. Agents in rural communities are trained and supported with marketing materials to sell entry-level solar products, leading eventually to more expensive Heya!-brand products such as cookstoves and water filtration systems.

## INVESTMENT RATIONALE

NLA's model seeks to address one of Mercy Corps' major areas of focus - last mile distribution. Mercy Corps Kenya has already paired with NLA on its energy access and last mile distribution work, and the Social Ventures team is able to provide technical and business support based on its experience with last-mile and clean energy ventures.

## ROUTE TO IMPACT

<b>Activities</b>	Train and support community agents, procure beneficial products for sale in communities where agents live and work
<b>Outputs</b>	Community agents sell products, customers enter pay-as-you-go pipeline
<b>Intermediate Outcomes</b>	Increased entrepreneurial opportunities, increased access and affordability of socially beneficial products
<b>Outcomes</b>	Increased incomes for community agents, cost savings for customers through use of efficient products (e.g., solar lights vs. kerosene)
<b>Ultimate Impacts</b>	Improved livelihoods for people in rural communities

## METRICS

- REACH** # female agents, # youth agents, % rural customers
- BREADTH** # products sold, # sales agents, # customers
- DEPTH** \$ income generated by sales agents, \$ average income increase for sales agents

## SDG ALIGNMENT

