

Charm Impact



PUBLISHED OCT 9, 2020
BY [GOV.UK](https://www.gov.uk)

840 million people in the world still have no access to electricity. The United Nations estimates it will cost \$45 billion a year to ensure everyone has access to clean and affordable energy by 2030.

Entrepreneurs in emerging economies find it hard to attract the finance they need to develop small-scale local energy projects that can make a massive difference to people's lives. The amount required is more than microfinance can provide but too little or too risky for banks, private equity firms or other more traditional sources of finance.

Meanwhile, smaller investors and individuals who may not have invested before but are considering it, are increasingly looking to find ways to combine earning money from their investments with making a positive impact on the world.

Loans to generate impact

was set up in 2018 by energy and financial services technology consultant Gavriel Landau and social finance professional Bethany Larsen to connect everyday people with early-stage entrepreneurs in Africa and Asia to support loans that generate a financial, social and environmental return.

Gavriel said:

There's a big problem that these companies selling really innovative solar and other renewable solutions don't have access to the capital they need to grow and scale their businesses, and this problem intensifies when we look at companies with local founders.

On the other side of the world, we have people who want to make a difference with their money but don't have an avenue to do it.

Charm finds these incredible entrepreneurs delivering life-changing solutions. We advertise their projects to our crowd of investors, and we put the two together through our platform to fund loans.

The company successfully applied to Innovate UK for funds from Energy Catalyst 6 for a feasibility study. Gavriel added:

It was all very well to say we wanted to give people loans and connect investors with businesses, but we had to ensure the commercial viability of the business model, build the first iteration of our offering and platform, and really prove that there was a niche in the market and that people would invest.

It would have been far more difficult to do that without Innovate UK's support and harder to achieve the same quality of outcomes, and the quality of the outcome would have been far lower. It really helped kickstart us.

's legacy

Since winning the award, Charm has raised loans to support five projects. In India, funds have been used to help set up 55 solar home systems and 20 solar-powered sewing machines for rural communities.

The other four are in West Africa: a solar refrigeration manufacturer and distributor, a solar micro-grid to provide electricity to 155 homes and 25 businesses, solar systems to replace diesel generators for market stall owners, small-scale commercial and industrial solar for two medical pharmacies.

The loans are made up of a combination of investments crowdsourced through the platform and repayable donations that help to de-risk the investment and then are recycled into new projects when the loans are repaid.

The future of

has been awarded a further £98,000 through Energy Catalyst 7 that will help it understand what kinds of financial and impact data will be most relevant for borrowers and investors, and how it can capture it and make it available on the

platform.

Gavriel added:

It's so you as an investor can see not just the return on your money but the direct impact that every pound has – how many people does that help, how much CO2 does it save.

must now scale up its crowdsourcing business to make it profitable. It has launched a campaign to raise more than £100,000 on the crowdsourcing investment platform Crowdcube.

The company hopes the investment will help it to increase its staff over the next three years, including setting up small offices in East and West Africa where staff can work locally to identify and support suitable local energy projects.

also receives specialised technical assistance from the Crowd Power scheme, which is part of the wider Transforming Energy Access programme. Crowd Power provides funding to support the development of a pipeline of energy access entrepreneurs and will also provide £20,000 co-funding during its upcoming equity crowdfunding campaign.

By 2025 it aims to have helped more than 280 entrepreneurs with total loans worth £65 million, saved 600,000 tonnes of CO2 and brought electricity to 750,000 people in Africa and Asia.

Gavriel said: “We are challenging the traditional view that an investment is only about risk and return and saying it is about risk, return and impact. We see a huge opportunity to enable people to make money and do some good at the same time in a transparent and traceable manner.”

Read this case study as a PDF.

Press release distributed by Media Pigeon on behalf of GOV.UK, on Oct 9, 2020. For more information subscribe and follow us.

Media Assets

Embedded Media

Visit the [online press release](#) to interact with the embedded media.

<https://mediapigeon.io/newsroom/govuk/releases/en/charm-impact-143>

GOV.UK

Newsroom: <https://mediapigeon.io/newsroom/govuk>

Website: <https://www.gov.uk/>

Primary Email: publiccorrespondence@cabinetoffice.gov.uk

Social Media

Twitter - <https://twitter.com/cabinetofficeuk>

Instagram - <https://www.instagram.com/cabinetoffice>

Linkedin - <http://www.linkedin.com/company/cabinet-office>

Youtube - <http://www.youtube.com/user/cabinetofficeuk>

Flickr - <http://www.flickr.com/photos/cabinetoffice/>
