

SUMMARY

Over the past 30 years, there have been a number of efforts to promote small-scale, renewable energy technologies and to foster enterprise development in the developing world. But, unfortunately, many of these projects have not been brought to scale. As a result, their impact has been relatively limited. Most energy enterprises remain small and they cite two main obstacles: lack of end-user finance and challenges with distribution. Solutions that successfully scale share important attributes: an understanding of the interrelationship between finance, distribution, and technology; a tailored approach that takes into account market conditions and constraints; and the ability to leverage existing financing and distribution channels for easier and quicker growth. All REMMP activities incorporate these components to ensure that the program achieves its objectives.

For more information, please contact:

PAMELA BALDINGER

Energy Advisor
US Agency for International Development
Bureau of Economic Growth, Education and Environment
Office of Energy and Infrastructure

Tel: +1-202-712-4185
E-mail: pbaldinger@usaid.gov

JEFF HAENI

Energy Advisor
US Agency for International Development
Bureau of Economic Growth, Education and Environment
Office of Energy and Infrastructure

Tel: +1-202-712-0546
Email: jhaeni@usaid.gov

NICOLA ARMACOST

Managing Director
Arc Finance, Ltd.

Tel: +1-914-478-3851
Email: niki@arcfinance.org



Photo: Arc Finance, Haiti

REMMP FACT SHEET

RENEWABLE ENERGY MICROFINANCE AND MICROENTERPRISE PROGRAM



Photo: Souradeep Ghosh, Arc Finance, India

USAID's Renewable Energy Microfinance and Microenterprise Program (REMMP) is designed to improve access to modern energy services in underserved communities while at the same time helping USAID partners to reduce carbon emissions. A key goal of REMMP is to increase the availability of consumer financing for clean energy services and products to enable low-income populations to gain access to technologies that can improve their livelihoods and quality of life while mitigating climate change. The program focuses on household and community-scale technologies such as solar home systems, cookstoves and microgrids.

THE REMMP TEAM

REMMP is led by Arc Finance, a non-profit focused on promoting and expanding access to financing for energy to build the income and assets of poor people around the world. Arc has a strong team and global network of partners that are carrying out the objectives of the program. With deep

expertise cutting across microfinance, microenterprise, energy, remittances, mobile banking, distribution systems, market research, strategy development, knowledge management and communications, Arc's global team is well-positioned to capture and disseminate knowledge gained from REMMP to the development and energy sectors at large.

IMPROVING ACCESS TO MODERN ENERGY SERVICES

REMMP IS IMPROVING ACCESS TO MODERN ENERGY SERVICES IN UNDERSERVED COMMUNITIES BY:

- **DEMONSTRATING** THE COMMERCIAL VIABILITY OF CONSUMER PAYMENT MODELS
- **FACILITATING** INVESTMENT FOR CLEAN ENERGY FINANCING
- **IMPROVING** THE CAPACITY OF THE PRIVATE SECTOR TO FINANCE CLEAN ENERGY
- **DOCUMENTING AND DISSEMINATING** KNOWLEDGE GENERATED THROUGH REMMP

In order to achieve these goals, Arc Finance, in cooperation with USAID, provides the following services to project partners:

- **Technical Assistance** for project partners — including microfinance institutions (MFIs), asset finance companies, money transfer organizations (MTOs) and energy enterprises — with a focus on business model and product development, facilitation of public sector partnerships, impact evaluation, and investor engagement.
- **Catalytic Grants** that target specific project-critical capacity and capital requirements that are necessary to advance core project objectives. These grants are tailored to the specific need and stage of development of the partner.
- **Knowledge Building** through monitoring, documenting and promoting key lessons and best practices. The aim is to cultivate interest in rural energy finance among a broader audience of practitioners, investors and donors. REMMP makes expertise and information available on the latest developments in these quickly growing fields through publications as well as events such as Arc's Innovations in Financing conferences. (See arcfinance.org/knowledge)

Through REMMP, Arc Finance is demonstrating the commercial viability of a range of consumer payment models.

- **Remittances:** Financing for energy products is provided by family members in the diaspora via cross-border money transfers.
- **Microfinance:** A Microfinance Institution (MFI), bank, credit cooperative or other financial institution provides energy-related financial products to low-income consumers.

- **Asset Finance:** An energy enterprise provides an in-house credit facility for its products.
- **Pay-As-You-Go:** Financing is provided through a metering system that allows the end user to pay in advance for energy access in small and regular installments.
- **Mobile Phone Networks:** Bill payment/financing for clean energy is possible over a mobile phone/m-banking infrastructure.
- **Crowdfunding:** Funds from individuals are aggregated on an Internet site to support specific projects or organizations.



Photo: Souradeep Ghosh, Arc Finance, India

PARTNER ORGANIZATIONS

INDIA



BANDHAN KONNAGAR is a not-for-profit society that is part of Bandhan Financial Services Ltd. (BFSL), the largest MFI in India. Bandhan provides microfinance services to 6.3 million borrowers—all women—through 2,022 branches across 22 Indian states. Arc is supporting Bandhan under REMMP to develop and launch a new multi-state, energy-focused subsidiary that is providing both sales and credit for its clients.



INDIAN GRAMEEN SERVICES (IGS) is a registered not-for-profit company that serves as the action research, pilot testing and incubation arm of the BASIX Group, one of India's largest financial and business development institutions focused on the poor. Under REMMP, Arc has partnered with IGS to launch Vayam Renewable, which markets, sells and finances energy products for low-income consumers in rural communities, and trains and supports a network of village-based solar retailer-technicians.



FRIENDS OF WOMEN'S WORLD BANKING – INDIA (FWWB-I) is an apex organization that provides loan support and program development assistance to a network that currently includes 25 microfinance and community-based organizations located throughout India. Arc Finance is partnering with FWWB-I under REMMP to create and grow a revolving credit facility for clean energy. Arc is also providing technical assistance to several FWWB-I MFI sub-partners to finance a range of energy services, including "solarizing" one sub-partner's entire client base by the end of 2015.



MILAAP.ORG (MILAAP) is an online crowdfunding platform that supports the growth of microcredit products such as energy, water, sanitation, and education loans by providing inexpensive, flexible capital to Indian MFIs through the crowdsourcing of funds. Arc Finance is partnering with Milaap under REMMP to establish a low-cost revolving credit facility for innovative energy companies and MFIs engaged in energy lending. Arc is also providing technical assistance to Milaap's MFI sub-partners to finance a range of energy services, including solar, efficient cookstoves and microgrids.



SIMPA NETWORKS is an energy company that markets high quality solar home systems (SHSs) with a proprietary metering technology that are sold on a "progressive purchase" basis in Uttar Pradesh, India.

Progressive purchase enables off-grid consumers to pay for solar in flexible increments over time. Arc Finance was Simpa's first investor and is currently partnering with Simpa under REMMP to scale its "progressive purchase" business model.

UGANDA



SOLARNOW is a private solar distribution and service company that is delivering improved solar access to poor, rural consumers in Uganda. Arc is partnering with SolarNow to support the scaling of its franchise-based solar retail business. SolarNow offers an in-house credit facility for a range of modular solar home systems and low-voltage appliances. Under REMMP, Arc Finance provided funds to upgrade SolarNow's Management Information System to handle its credit facility and arranged a DCA loan guarantee to allow access to local capital markets.

KENYA



MAMAMIKES is an e-commerce company formed in 2001. The company offers the Kenyan diaspora and international customers living outside of Kenya a digital platform to send a range of products, including mobile phone airtime, vouchers, electronics, efficient cookstoves, flowers and livestock, to their families in Kenya. MamaMikes is committed to building its solar product business model, improving its customer distribution channels and raising awareness about clean energy among its customer base. Arc is supporting MamaMikes in its efforts to offer clean energy products — including solar lighting and efficient cookstoves — on its e-commerce site by tapping remittances from the Kenyan diaspora.

HAITI



SOGEXPRESS specializes in money transfer payments and is the leading Western Union partner in Haiti, a country with one of the lowest electricity access rates in the world. With only 26% of the Haitian population connected to the grid, remittances offer an innovative solution for financing the purchase and distribution of energy devices. With the support of USAID and FOMIN/IDB, Arc is working with Sogexpress to both scale a remittance-based platform, which allows Haitians in the diaspora to directly provide solar products to their families in Haiti in lieu of cash transfers, and expand cash sales of solar products using Sogexpress' network of flagship stores across the country.