

REMMP KNOWLEDGE

RENEWABLE ENERGY MICROFINANCE AND MICROENTERPRISE PROGRAM

BRIEFING NOTES

- ❖ **In-House Asset Finance for Small-Scale Renewable Energy.** In-house asset finance provides customers with a pay plan that allows them to purchase assets on an installment basis. The benefits of providing in-house credit are compelling, but it is a complex and challenging undertaking. In this Briefing Note, read a synopsis of how four energy companies — SolarNow, Simpa Networks, Grameen Shakti and M-Kopa — have successfully developed an in-house asset finance capacity.
- ❖ **Pay-As-You-Go Technologies in Consumer Energy Finance.** Many poor consumers cannot afford to pay for alternatives to expensive, low-quality energy sources, such as kerosene and candles, because of the up-front costs of solar systems and clean cookstoves. The pay-as-you-go models allow a consumer to pay for energy services over time, spreading the cost of an energy device over twelve to eighteen months. In this Briefing Note, read about six innovative models and technologies — Azuri Technologies, Angaza Design, Lumeter Networks, M-KOPA, Fenix International and SIMPA Networks — and the many beneficial impacts of their work.
- ❖ **Crowdfunding in the Energy Access Space.** Crowdfunding raises vast amounts of untapped capital by aggregating small amounts from the pocketbooks of ordinary people around the globe, typically using a web platform and through social networks. In just a couple of decades, crowdfunding sites have come to occupy an increasingly segmented, specialized and competitive online marketplace of over US\$5 billion. In this Briefing Note, read examples of crowdfunding related to the energy access space that are representative of this growing diversity: Indiegogo, Kiva, Milaap and SunFunder.
- ❖ **Financing Small-Scale Clean Energy Using Remittances.** With assistance from Arc, Sogexpress, the leading Haitian money transfer organization (MTO), has tapped into the billion-dollar remittances market to leverage diaspora funds to pay for small-scale clean energy solutions for Haitians lacking energy services. In this Briefing Note, read a synopsis of Sogexpress' pioneering remittances model, which is successfully supplying solar products to those who need them most.

The REMMP Knowledge & Learning Platform

Through REMMP, Arc Finance offers a knowledge and learning platform where we share practitioner experiences and innovations in end-user finance and energy services for the poor. We are a global institution that works closely with a large network of practitioners, investors, industry players, and research institutes that are focused on innovations in financing and energy services for underserved communities. We collect and analyze data from our partners, clients, investors, the industry and academics to identify new trends and new focus areas. To create Arc publications and to inform our fieldwork, our team conducts research on key topics

related to Arc's engagements, providing distilled, high-quality information infused with practitioner experience. Ultimately, we know that practitioners have the expertise and knowledge needed by their counterparts elsewhere. We distill that information to create knowledge products that bring global best practices and knowledge to audiences around the world.

Please visit our website to see our latest in-depth case studies, podcasts, publications, blogs and videos about companies and organizations leading the sector in innovative energy financing practices:

www.arcfinance.org/learn | www.arcfinance.org/news





CASE STUDIES

- ❖ **Bandhan's Microfinance Initiative (forthcoming):**
Using Microfinance to Radically Increase Access to Clean Energy in India
- ❖ **Simpa Networks' Progressive Purchase Asset Financing Model:**
Using Innovative Metering Technology for Pre-Paid Solar Systems to Increase Affordability for India's Energy Poor
- ❖ **SolarNow Brings Asset Finance for Solar to Rural Customers:**
A Turnkey Solution for Solar Distribution and Consumer Finance
- ❖ **Solar Sister's Energy Consignment Model:**
Women Micro-Retailers Drive Solar Product Adoption in East Africa
- ❖ **UpEnergy's Carbon Credit Initiative:**
Driving Down the Costs of Clean Cookstove Adoption
- ❖ **Milaap Uses Crowdfunding to Catalyze Energy Microfinance:**
Online Lenders Channel Low Cost Credit for Investments in Essential Services
- ❖ **Using Remittances to Finance Clean Energy:**
Inspiring the Haitian Diaspora to Combat Climate Change
- ❖ **Stima Systems' Group Microleasing Model:**
Promoting Payment and Reducing Risk at the Group Level
- ❖ **FWWB-I's Solar Microloan Initiative:**
Leveraging a Network to Reach India's Most Isolated Region
- ❖ **The Buksh Foundation's Solar Loan Initiative:**
Sparking a "Clean Energy Movement" in Pakistan
- ❖ **NWTF's Business Partner Model:**
Bolstering Both Energy Demand and Supply Through Microfinance
- ❖ **XacBank's Eco-Banking Department:**
Improving Air Quality with Credit, Carbon Finance and Smart Subsidies

VIDEOS: WORKSHOPS

- ❖ **Innovations in Financing Small-Scale Clean Energy (September 20, 2013)**
This full-day workshop, organized by Arc Finance under REMMP in conjunction with USAID and the Sustainable Energy for All Energy Access Practitioner Network under REMMP, brought together a range of stakeholders to discuss the innovations in financing being deployed in the small-scale, clean energy space.
- ❖ **Pioneering Small-Scale Energy Finance Through Innovative Partnership Models (October 8&9, 2013):**
This day-long, pre-event workshop, held in conjunction with the 2013 Microcredit Summit, was organized by Arc Finance and brought together high-level representatives from MFIs, energy enterprises, government entities and donors to engage MFIs on financing renewable energy.

VIDEOS: WORKSHOPS

- ❖ **Innovations in Financing:**
The Nexus Between Energy, Distribution and Finance (September 15, 2014) Organized in conjunction with USAID under REMMP, Arc hosted a full-day workshop in New York, which featured stakeholders from across the sector, including investors, energy practitioners and product manufacturers. Participants discussed the latest innovations in consumer and institutional finance for providing small-scale clean energy access to the poor.

VIDEOS: PARTNERS

- ❖ **Bandhan Konnagar (India) (forthcoming)**
Bandhan Konnagar, a non-profit organization, is part of Bandhan Financial Services Ltd. (BFSL), the largest MFI in India. Bandhan provides microfinance services to over 6.3 million borrowers—all women—through 2,022 branches across 22 Indian states. This video explains Bandhan Konnagar's new energy finance facility, which helps clients install solar home systems (SHS) to enhance both business and home life. Under REMMP, Arc Finance is supporting Bandhan to develop and launch a new multi-state, energy-focused subsidiary, providing both sales and credit for its clients.
- ❖ **The Basix Group (India)**
The Basix Group is one of India's largest financial and business development institutions focused on the poor. Its Indian Grameen Services (IGS) serves as its action research, pilot testing and incubation arm, and has reached over 400,000 individuals in nearly 4,000 villages. In its partnership with Arc, IGS launched Vayam Renewable to market, sell, and finance energy products for low-income consumers in rural communities, and to train and support a network of village-based solar retailer-technicians, with a focus on women. This video profiles three female solar entrepreneurs that have taken advantage of these innovative employment and training opportunities in rural Bihar and shows the impact of solar entrepreneurship on their daily lives.
- ❖ **Simpa Networks (Uttar Pradesh, India)**
Simpa Networks is an energy company that markets high-quality solar home systems (SHS), 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. This video shows viewers a day in the life of Rakendra, a Simpa Networks Urja Mitra (sales agent). With Arc's support under REMMP, Simpa Networks is scaling its operations.
- ❖ **DCBS (West Bengal, India)**
DCBS is a small, community-based microfinance institution (MFI) operating in more than 200 communities in West Bengal, with an active client base of over 12,000 women borrowers. DCBS offers energy loans to clients which generate local employment and provide extensive and measurable social, economic and environmental benefits to households, with particular benefits for women and girls. This video explains the transformation that solar has brought to clients' lives. With Arc's support, under REMMP, DCBS is poised to "solarize" its entire client base by the end of 2015.
- ❖ **Utkarsh (Uttar Pradesh, India)**
As one of India's most successful and dynamic MFIs, Utkarsh currently operates in five states in north-central India, catering to more than 430,000 members, the majority of whom live below the poverty line. The families in this video explain how they do not have reliable access to the power grid, and thus rely on costly toxic kerosene lamps. Solar lighting now provides an attractive alternative. With Arc's technical assistance, under REMMP, Utkarsh has developed an energy-lending program which is significantly improving the quality of life for women and girls in rural Indian communities.