

CLEANSTART

MICROFINANCE OPPORTUNITIES FOR A CLEAN ENERGY FUTURE





CleanStart supports low-income households and micro-entrepreneurs to **jump-start** their **access to clean energy** through **microfinance**. It encourages greater financing choices for poor people, supported by high-quality technologies and services, and enabling ecosystems for energy and financial service providers to achieve scale and impact.

The UN Capital Development Fund (UNCDF) is investing US\$26m over six years (2012–17) in six countries in Asia and Africa to create a clean energy future for 2.5 million people.

CLEANSTART'S FOUR COMPONENTS

Finance for Clean Energy to build the capacity of 18 financial service providers (FSPs) in six countries through a combination of:

- **Pre-investment technical assistance** to build awareness and confidence in energy microfinance and support the development of business plans;
- **Risk capital grants** to cover the up-front cost of market entry (US\$4.5m);
- **Concessional loans** to provide liquidity for energy loans (US\$2m).

Advocacy and Partnerships to bring greater coherence and focus to efforts of key actors co-creating an enabling policy and business environment for energy microfinance to reach scale. This involves collaboration and targeted advice to:

- **Governments and donors** who work on energy policy, regulation and energy value chains;
- **Wholesale financing institutions** that refinance microfinance portfolios;
- **Innovative initiatives** that offer improved technologies and financing models.

Technical Assistance for Clean Energy

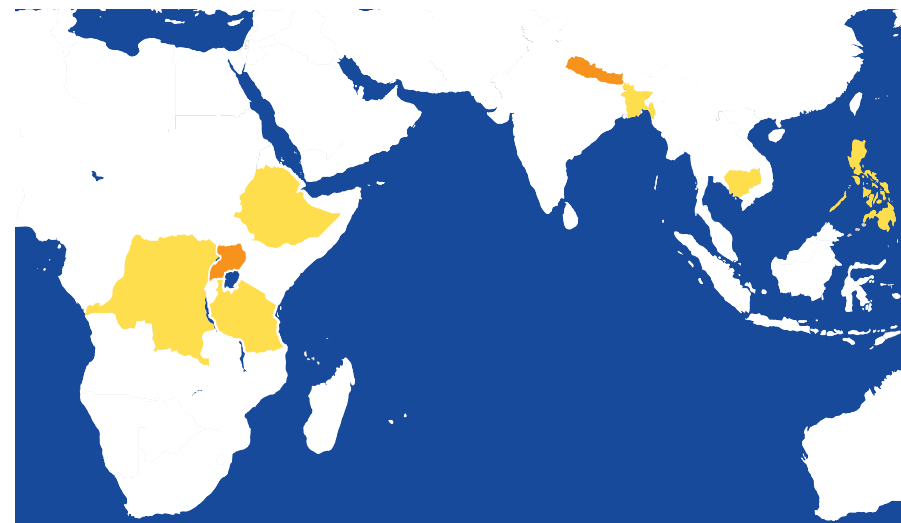
to strengthen supply chains of energy solutions financed by partner FSPs. Technical assistance will be provided to:

- **FSPs** to develop energy financing products in partnership with energy suppliers, and improve their knowledge of energy solutions;
- **Energy suppliers** to better understand customer needs and adapt technologies or services;
- **Energy support services** to improve quality assurance, including installation and maintenance;
- **End-users** to raise awareness of the benefits of clean energy and of how to use it.

Knowledge and Learning to improve understanding and skills in the field of energy microfinance on a global scale. This will involve three strategies:

- **Research on best practice** to expand knowledge available on how to design and manage effective energy portfolios;
- **Research on impact** to assess changes to people's livelihoods and the sustainability of the CleanStart model;
- **Training** to build a critical mass of certified microfinance professionals in energy financing.

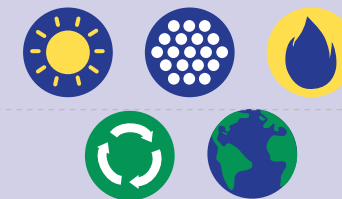
GEOGRAPHICAL COVERAGE



CleanStart will invest in six countries in Asia and Africa. CleanStart is operating in Nepal and Uganda (●). Potential countries include Bangladesh, Cambodia, Philippines, DR Congo, Ethiopia, and Tanzania (●). Maturity of the energy and microfinance markets will be key determinants in country selection in order to maximise impact and return on investment.

WHAT DOES UNCDF MEAN BY CLEAN ENERGY?

Clean energy includes renewable energy (e.g. solar), low greenhouse gas-emitting fossil fuels (e.g. LPG) and traditional fossil fuels which, through the use of improved technologies and practices, produce less harmful emissions (e.g. improved cook stoves).



OUR LONG TERM VISION

Dramatically scale up energy financing for the poor, without subsidies, beyond the initial six developing countries with high levels of energy poverty. This would build on:

- validated financing business models;
- commercialisation of technologies and services that offer value to low-income customers;
- critical mass of technical and managerial capabilities;
- ever-expanding knowledge base from research and network of partners;
- evidence-based advocacy in energy microfinance.

CLEANSTART IN NUMBERS

A **total of US\$60m** will have been lent over the life of the programme, with the potential to **reduce over 300,000 tonnes of CO₂**.

Launched in 2012, CleanStart was developed in collaboration with the United Nations Development Programme, United Nations Environment Programme, Frankfurt School of Finance and Management, MicroEnergy Credits, MicroEnergy International, Arc Finance and Columbia University.

Every year, CleanStart publishes *CleanStart Connections* (magazine) and organises *CleanStart Connect* (forum) to bring together people, ideas and opportunities that are co-creating an inclusive energy market. To learn more, please visit <http://uncdf.org/en/node/2023>

CONNECT WITH US



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UNCDF is the UN's capital investment agency for the world's 49 least developed countries. It creates new opportunities for poor people and their small businesses by increasing access to microfinance and investment capital. UNCDF programmes help to empower women, and are designed to catalyze larger capital flows from the private sector, national governments and development partners, for maximum impact toward the Millennium Development Goals.

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