

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.

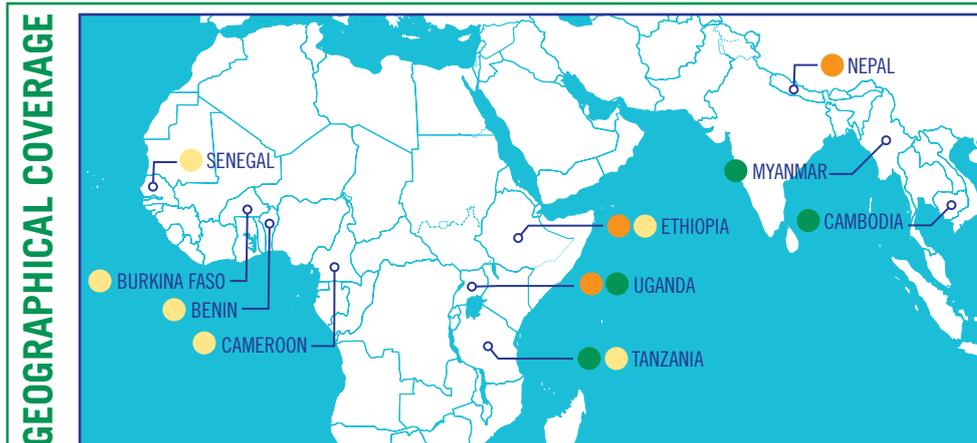
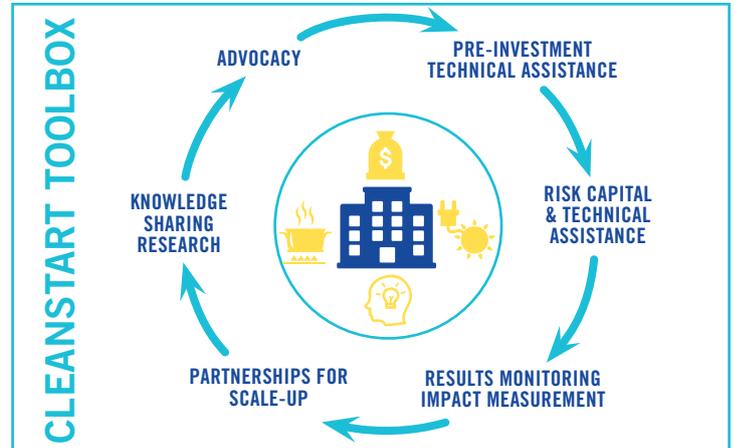
CLEANSTART'S FOUR COMPONENTS

FINANCE FOR CLEAN ENERGY to develop scalable consumer and enterprise financing models.

TECHNICAL ASSISTANCE FOR CLEAN ENERGY to increase the scale potential of financing models by creating a supportive business ecosystem.

KNOWLEDGE AND LEARNING to promote awareness and customer-centric growth.

ADVOCACY AND PARTNERSHIPS to co-create a policy and business environment that supports energy microfinance to reach scale.



CleanStart has three approaches to country-level engagement depending on the market context.

- **Sector-based:** Nepal, Uganda, Ethiopia
- **Innovation:** Cambodia, Myanmar, Tanzania, Uganda
- **Partnerships:** Benin, Burkina Faso, Cameroon, Ethiopia, Senegal, Tanzania

UNCDF CleanStart aims to invest **US\$26m over six years (2012–18)** in six countries in Asia and Africa to create a **clean energy future for 2.5 million people.**

OUR LONG-TERM VISION

CleanStart aims to dramatically scale up energy financing for the poor through a market-based approach in a large number of developing countries with high levels of energy poverty. This would build on:

- validated financing business models;
- commercialization of technologies and services that offer value to low-income consumers;
- new learning about the energy access market, in particular consumers, through research and knowledge exchanges between market actors;
- network of technical experts experienced in supporting energy access market development;
- advocacy for market-wide changes, such as policies and standards

By 2018, close to **500,000 clean energy solutions** will be installed, which translates into **300,000 tonnes of reduced CO2 emissions.**

WHAT DO WE 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).

CLEANSTART IS A PROGRAMME OF THE UNITED NATIONS CAPITAL DEVELOPMENT FUND (UNCDF).

SUPPORTED BY Austrian Development Cooperation



UNCDF CLEANSTART energy access challenge

GOAL

- Support financial institutions and other enterprises to achieve breakthroughs in consumer financing and/or energy value chain financing (e.g., for distributors, manufacturers) through commercially-driven business ideas.
- Support proven entrepreneurs and management teams to keep innovation firmly on their current agenda while building out their businesses for future growth.
- Support innovations that will have a ripple effect in the whole market and inspire others to adopt winning strategies.

INNOVATION IS THE NAME OF THE GAME

- A new financial product, service or approach in the market; or
- A tested model that can quickly be scaled up in a new sector or geographic area; or
- A new partnership format (financing or other) that delivers results.

ELIGIBILITY CRITERIA

- Registered, commercially-run businesses
- Minimum 1 year of operation
- Business ideas that result in a wider range of energy financing solutions
- Minimum 30% project cost-sharing by applicant (out of which cash contribution is 50% or more)

WHY UNCDF?

- The only UN agency that can provide blended finance (grants, loans, guarantees)
- Rigorous, hands-on partner selection and due diligence
- Multi-disciplinary technical assistance team guiding proposal development
- High-level, independent investment committee
- Regular results-monitoring, longitudinal research on consumer impact
- Constant feedback loop with government and development partners nationally and globally

2015 CHALLENGE: CAMBODIA, MYANMAR AND UGANDA

RESULTS: 113 Expressions of Interest submitted, 18 Companies shortlisted, 10 Companies selected for funding.

PORTFOLIO SIZE (2016–2017)

178,053 customers
\$2.8 M UNCDF risk capital
\$7.2 M total project cost

PARTNER PROFILE

COUNTRY	COMPANY	TYPE OF TECHNOLOGY
Cambodia	Hydrologic	Clean cook stove
Cambodia	Kamworks	Solar home system
Myanmar	BioLite	Clean cook stove
Myanmar	Brighterlite	Solar home system
Myanmar	Greenlight Planet	Solar lantern and home system
Uganda	BioLite	Clean cook stove
Uganda	d.light	Solar home system
Uganda	Eco Group	Clean cook stove and solar home system
Uganda	FINCA Uganda Ltd	High volume low denomination loans (initially for solar lanterns)
Uganda	Village Power	PAYG market database and other investment tools

CHALLENGE TIMELINE



MARKET SCOPING
Month 1



CALL FOR EXPRESSION OF INTEREST (EOI)
Month 2



EOI SUBMISSIONS
Month 3



EOI SHORTLIST BY INVESTMENT COMMITTEE
Month 3



CONSULTATION AND DUE DILIGENCE
Month 3



BUSINESS PROPOSAL SUBMISSION
Month 4



RECOMMENDATION BY INVESTMENT COMMITTEE
Month 4



APPROVAL BY CLEANSTART GLOBAL PROGRAMME BOARD
Month 5



PERFORMANCE TARGET NEGOTIATION AND CONTRACT SIGNING
Month 5



TECHNICAL ASSISTANCE, MONITORING, EVALUATION
Until end of project

CONNECT WITH US



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UNCDF is the UN's capital investment agency for the world's 48 Least Developed Countries (LDCs). With its capital mandate and instruments, UNCDF offers "last mile" finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development. This last mile is where available resources for development are scarcest; where market failures are most pronounced; and where benefits from national growth tend to leave people excluded.