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.

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.

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REMMP FACT SHEET

RENEWABLE ENERGY MICROFINANCE AND MICROENTERPRISE PROGRAM
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.
- 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.

**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 instalments.

- **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.

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.