



ARC FACT SHEET

CHANGING LIVES THROUGH ACCESS TO FINANCE FOR CLEAN ENERGY AND WATER

Launched in 2008, Arc Finance promotes access to finance for clean energy and water to build the income and assets of poor people around the world. Arc is an international not-for-profit with 501(c)(3) status.

WHAT DOES ARC DO?

Arc brings together financial institutions and modern energy and clean water enterprises that provide products tailored to the needs of low-income entrepreneurs and households. These products include solar home systems, solar irrigation pumps, efficient cook stoves, and cleaner cooking fuels. The only organization of its kind, Arc was founded to meet the demand for a neutral player and help put end-user financing for clean water and energy innovations into practice. Arc also serves as the multiplatform repository for up-to-date expertise and information on the latest developments in these quickly growing fields, and our array of knowledge products and tools are available to everyone.

For financial institutions and energy and water enterprises...

Arc connects financial institutions with local partners in the developing world who are building clean energy and water products that meet the needs of poor people, and helps develop all aspects of energy and water financing services. Specifically, Arc provides:

Advisory services and technical assistance:

- Conducts energy and water market assessments
- Provides advice on product development, project design, program monitoring and evaluation, and impact methodology and assessments
- Builds the capacity of staff on marketing, promotion, sales, product information, after-sales service, credit and logistics, and conducts client monitoring and training
- Facilitates partnership agreements between energy and water companies and financial institutions such as MFIs
- Helps energy and water enterprises seeking to introduce an in-house credit facility to provide appropriate and sustainable end-user finance to customers
- Assists in scaling up operations for existing energy or water lending programs

Financial support:

- Develops links with donors and investors interested in funding the expansion of energy and water services to the poor through access to finance
- Can provide catalytic funding, cost-share mechanisms or facilitate debt guarantees to help develop new products, business models, delivery, and payment mechanisms that will increase access to clean energy and water

For donors and investors...

Arc can help identify promising investment opportunities for donors and investors interested in funding clean energy and water services for the poor via microfinance and other innovative financing mechanisms, including microleasing, remittances, crowdfunding, pay-as-you-go and mobile platforms, or expansion of cash sales of products through microconsignment and agent distribution models.

For other energy stakeholders...

Arc's knowledge platform serves as a resource for best practices, and cutting-edge research, tools and technical knowledge to help increase financing for clean energy and water initiatives for the poor. Arc regularly produces case studies of organizations, products or business models that are demonstrating sustainable innovation in the field, as well as briefing notes, videos, toolkits, interviews and blogs, all available at www.arcfinance.org/knowledge.

WHO BENEFITS FROM ARC?

The lack of clean energy and water are two of the biggest hardships faced by the world's poor. Poor people need and want modern energy and water solutions — to safely and reliably power their businesses, to create time for income generation or education, and to improve the health, security and overall quality of life of their families. When the issues of affordability and distribution are addressed, poor families are willing and able to pay for improvements such as better lighting, refrigeration, cooking fuels, water pumping, and water safety.

Arc aims to benefit poor communities in developing countries who need financing options to purchase the energy and water products and systems that will support their enterprises and transform their lives.

The need for clean energy and water

Energy challenges:

- 4.3 million people a year die from illnesses attributable to household air pollution caused by solid fuels.
- 1.3 billion people do not have access to electricity, limiting the ability of adults and children to reach their full potential.
- Women and girls' safety, security and health are disproportionately affected by lack of access to lighting, and use of inefficient and toxic fuels.

Water and sanitation challenges:

- 783 million people lack access to clean water and 850,000 people die annually from water-related disease.
- 2.7 billion people have no access to proper sanitation.
- Women and girls in poor countries spend 15 or more hours per week collecting water.

Benefits of clean energy:

- Clean fuels improve health by reducing respiratory and eye diseases, prevent injury and death from indoor fires and mitigate climate change.
- Clean, affordable lighting gives adults and children more time for work, study and recreation, while increasing incomes and household savings.
- Women and girls' access to private toilets or latrines eliminates the need to venture out after dark or into secluded areas.

Benefits of clean water and proper sanitation:

- Access to clean water prevents fatalities from intestinal illnesses and improves quality of life.
- Clean water leads to healthier families and a stronger, more productive workforce.
- Reducing the need to collect fuel is a life-changer for young girls, freeing their time for study and play.

WHERE DOES ARC WORK?

Arc works in Africa, Asia and Latin America and the Caribbean, and its current programs involve a variety of partner organizations, including microfinance institutions (MFIs), money transfer organizations (MTOs), product retailers and manufacturers, e-commerce platforms and crowdfunders, as well as a variety of distributors, local and national government entities, and donors and investors.