**NEW CLEAN ENERGY LENDING TOOLKIT WILL BE AVAILABLE TO USAID MISSIONS AND BUREAUS IN AUGUST 2013**

At present, there are still nearly 1.3 billion people without access to electricity and 2.6 billion people that do not have access to clean cooking facilities.[[1]](#footnote-1) Many of these people are located in remote or rural areas that are expensive to reach with extensions of the national electric transmission grid. Clean energy technologies (renewable energy and energy efficiency improvements) can help serve these populations, although additional sources of financing will need to be leveraged.To help alleviate the financing gap present in many developing countries, the USAID/E3 Bureau is developing a clean energy lending toolkit for financial intermediaries through the Analysis and Investment for Low-Emission Growth (AILEG) Project. This toolkit will help financial intermediaries (FIs) assess the viability of new financial products to service energy efficiency and renewable energy (EE/RE) projects.

In many countries, FIs lack an adequate understanding of the technologies and their financing requirements. Micro, small and medium-sized enterprises (MSMEs) have) limited access to medium and long-term financing with appropriate terms and conditions and face large collateral requirements due to perceived high risks. FIs have a) limited experience structuring lending programs in this sector and matching terms and conditions to the demand.

The Clean Energy Lending Toolkit increases the capacity of financial intermediaries to understand market opportunities and develop effective systems and products to lend to consumers, MSMEs, Energy Service Companies (ESCOs), and clean energy project implementers. The toolkit addresses market assessment and decisions on entering the market to the structuring of financial products and systems and appraisal of potential projects and clients. The toolkit has six sections:

* **Implementers Guide:** Defines renewable energy and energy efficiency andoutlines the elements of the toolkit.
* **Clean Energy Market Opportunity Diagnostic Tool:** Provides guidance to FIs on market mapping to identify promising clean energy lending market segments and opportunities for growth.
* **Financial Intermediary Market Readiness Tool:** Provides guidance to FIs on how to assess its capacity and needs to develop a strategic plan for clean energy lending.
* **Clean Energy Product Development Tool:** Helps FIs to prepare appropriate credit products and make internal adjustments to their processes.
* **Technology Information and Sector Benchmark Tool:** Provides background information on key energy efficiency and renewable energy technologies.
* **Clean Energy Lending Case Studies:** Examples of successful lending programs in developing countries.

The toolkit is generic and modular and intended to be customized by financial organizations. The CE lending toolkit was prepared following the successful experience with an agricultural lending toolkit supported by USAID, which has already been used by banks in Africa.

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1. World Energy Outlook 2012 Factsheet. [↑](#footnote-ref-1)