

# Iteso Microfinance

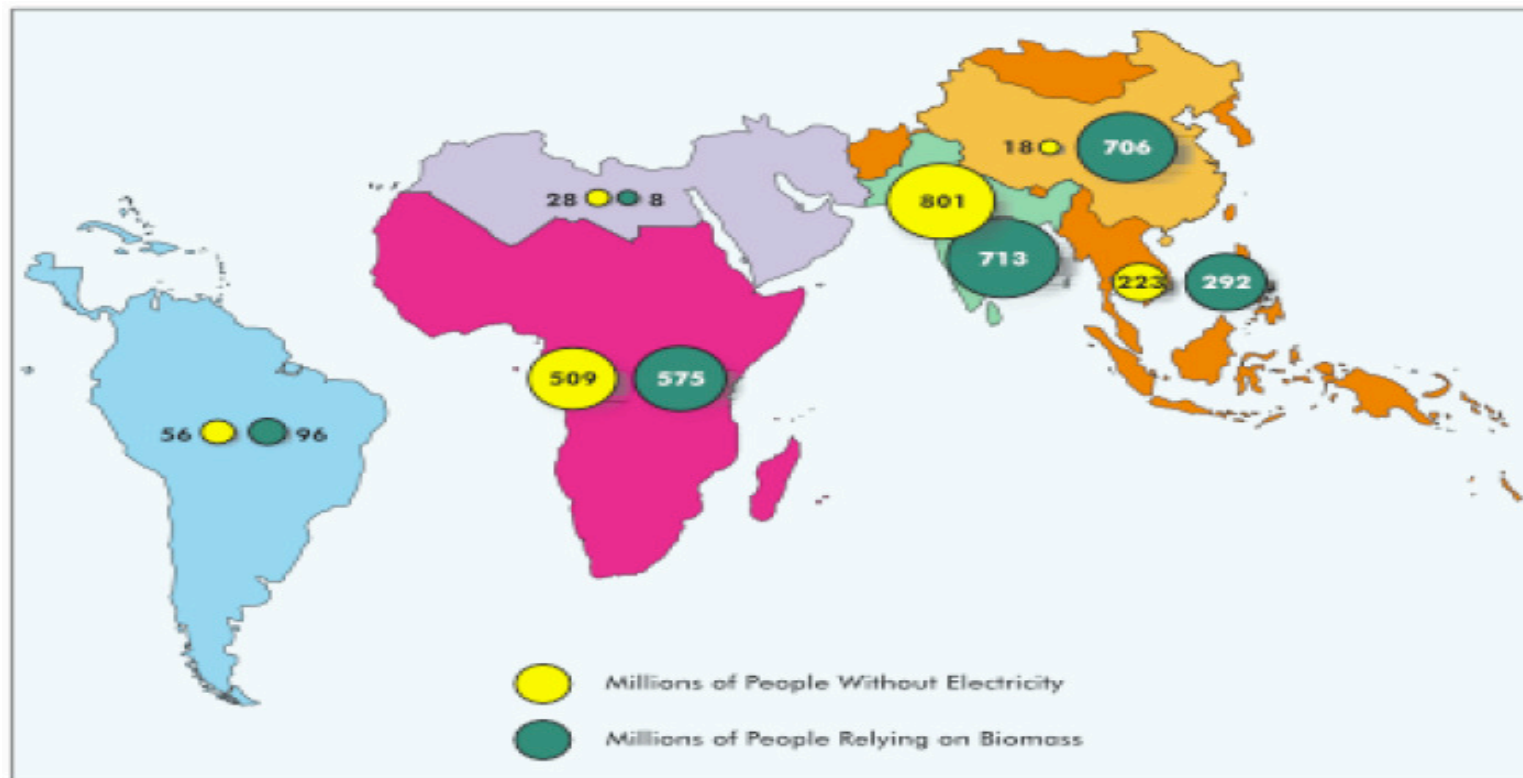
Reducing Energy Poverty through Microfinance

# A starting point : the world @ Night



# The idea of Energy Poverty...

*Energy Poverty can be defined as "lack of access to modern energy that provides the lowest cost and the most efficient service".*



Geographic Distribution of Energy Poverty (Source: International Energy Agency)

# ....and its importance

*Energy is a basic necessity for human activity, economic and social development.*

Improvement of  
health

Provision of  
clean water

Enable better  
communication

Facilitate  
education

Improve food  
security

Reduce  
environmental  
damage

Drive micro-  
enterprise  
development

# A few facts...

Approximately **2 Billion** people lack access to modern energy services

**1.1 Billion** live on less than \$1 Dollar per day in the world

**2.3 Billion** People around the world rely on **traditional biomass fuels** (ex. Wood, charcoal, dung) for cooking and eating

It has been established that **rural families** in developing countries spend **10% to 25%** of their **income** on basic energy services.

**Kerosene expenditure** in developing countries can vary between **\$25 to \$50** per household p.a. but it can be as high as \$100.

**Kerosene** can be purchased regularly in small quantities costing from **\$0.50 to \$2** per transactions.

The lack of access to capital to purchase energy efficient products is the key barrier to increasing the uptake of more efficient energy technologies

# Why microfinance?

*Microfinance Networks are an attractive backbone for the implementation of distribution and financing solutions to increase the access of clean energy technologies to the BOP.*



# A logical step

## Identical target market

- The rural poor
- Marginalised and excluded population
- Consumers of highly polluting energy sources

## Common Objectives

- Poverty reduction through a productive capacity increase
- Decentralised growth
- Sustainable growth

## Similar Challenges

- An innovative product
- A forward thinking approach
- A niche market

# Iteso: a new approach to an old problem

*Definition:*

*"The Iteso people are a cattle breeding ethnic Nilo-Hamitic group located in Eastern Uganda."*

- Iteso is a start-up social enterprise located in Monaco.
- Our objectives:
  - We thrive for a triple bottom line approach of balancing commercial, social and environmental objectives.
  - We aim to promote and expand access to clean energy products for the BOP.
  - We connect investors, microfinance institutions and clean energy providers.



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# Mission Statement

*To contribute to poverty reduction by channeling human and investment capital in projects that offer increased access to clean energy products for the Bottom of the Pyramid ("BOP").*

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# Our approach

*An all-around development and investment proposition to both donors and social investors.*

Research and  
Advocacy

Advice and  
Technical Assistance

Investment  
Opportunities

**Energy Poverty Alleviation**

# Consulting Services

*We provide advice on the development of inclusive business models for the proliferation of clean energy to the Bottom of the Pyramid.*

## International Donors

- Facilitate the intervention to promote micro-lending for energy consumers in developing countries
- Assist, guide and articulate strategic advice on possible financing strategies to create energy lending programs implemented through microfinance institutions.

## Social Investors

- Advice and facilitation services for social investors that are looking for investment opportunities within the clean energy sector that directly impacts the BOP

## Microfinance Institutions

- Support microfinance institutions that are looking to implement energy lending strategies through pragmatic technical assistance.

# Investment Services

*We design innovative financing solutions for microfinance institutions and clean energy SMEs in developing countries.*

SMEs

- Identify, promote and enable investment opportunities for clean energy social enterprise.

MFIs

- Design innovative financing solutions for microfinance institutions that are implementing clean energy lending programs

Carbon  
Credit

- Encourage and facilitate the use of carbon credits for microfinance institutions and/or recipients of clean energy loan products.

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# Thank You!

**For more information please contact:**

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