

Barrier of Inclusive Finance for Small Scale RE & Community

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Local communities on the frontline of climate change The need of user friendly, plug and play small scale solutions Ito address the challenges • Imbalance of finance flow, estimated only <10% actually reaches most urgent local needs and support the most vulnerable populations



Opportunity and Barrier to Scale-Up

Opportunity

Supply

- Commitments and funding towards low carbon economy development
- RE focus on PUE ≠ electricity services
- Readily available blended finance facility (P2P, philanthropic)
- Growing incubation programs for innovative start-ups

Demand

- Unserved populations (potential users)
- Drives to economic improvement
- High rates of early adopters

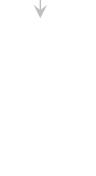
Barrier

- Limited options (affordable) plug and play products ready in the market incl its repair services
- Lack of MFI experience and knowledge on RE
- Limited liquidity of MFI (resource of capital) limits loan products
- Funding focus on large scale
- Need flexible loan/installment
- Collateral req limiting inclusion
- Limited access to information (innovative PuE with business model)
- Unfavorable policy environment (prioritization)



Enhancing inclusive financing

	Barriers to climate finance access	Risk Level	Enablers	
1	Low-quality project/business pipelines	High	Capacity Building or TA Fiscal or non- fiscal incentives Policy reform/ certainty	Finance as enablers
	High funders requirements/standards	High		
	Lack of support to apply for funds and in meet the funders' requirements	Med-High		
	Project pipelines tend to be high on social return, low on financial return	Med		
	Lack of incentives mechanism available	Low-Med		
	Regulatory uncertainty or unfavorable policy environment	Med-High		
	Local policy framework lack the means to support small vulnerable groups	Med		
	Lack of government budget especially for assistance	High		
	Lack of participatory decision-making process	Med-High		
	Awareness, biases, and visibility	Med-High		
	Limited prioritization of vulnerable groups over emission reduction & RoI	Med		
	Limited database and/or platform on marginalized groups and climate finance impacts including assistantships available	Low-Med	Tools and platform	





Thank you

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