



Microfinancing for clean energy solutions, India

Essential facts and figures

Project activity	Granting of microloans to households in India for efficient cooking stoves, solar systems/lamps and drinking water preparation devices. The programme was registered by the UN in December 2012 as no. 9181.
Project site	India
Project owner	MicroEnergy Credits (MEC)
Start date of operation	2014
Project duration	2014 to 2020
Quantity of emission reductions (in tonnes of CO₂)	2'000'000 CERs

Project description

Revenues generated by the sale of CERs are used mainly to establish a distribution network for efficient cooking stoves, solar systems / lamps and drinking water preparation devices, run by microfinance institutions. This involves an information and marketing campaign designed to encourage demand for such products, the set-up of distribution and service networks, capacity building measures for microfinance institutions, and the distribution of a cloud-based software to process loans. Only around 15% of revenues are used towards subsidising actual products. This ensures that more households are given access to products that reduce greenhouse gas and prevents the large-scale distribution of highly subsidised products that do not meet local needs.

A set of products comprising an efficient cooking stove, solar lamps and a drinking water preparation device costs 75 US\$. Households can apply for a loan, which they must repay within a few months at annual interest rates of 20-30%. The monthly savings made possible by the products are so high that households already save money during the payback period. Once the loan has been paid back, monthly savings per household can reach up to 20 US\$.

Project status

MEC works with ten microfinance institutions in India and is continuously developing this network. Together with its partners, MEC will distribute over 300'000 products in India by 2018, reaching around 1'500'000 individuals. To date (May 2018), 580'324 CERs have been delivered.

Project owner

The US company MicroEnergy Credits (MEC) was established in 2007 in order to enable microfinance institutions to distribute products that reduce greenhouse gas emissions. The company operates in Mongolia, East Africa and India.

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