Improved access to modern energy services is one of the fastest ways to drive socioeconomic development and poverty alleviation. In many markets, electrification has largely been the domain of governments, but the rise of affordable, clean distributed generation technologies is opening new opportunities for the private sector and for public-private partnerships. Renewable energy (RE) microgrids will play a critical role in meeting the household and productive needs of the 1.1 billion people that currently lack affordable, reliable electricity across the globe.

As with most early-stage industries, key barriers to scaling investment in microgrids include: the lack of affordable and accessible capital, unproven business models, and poor market data, among others. Private sector investors see clean energy microgrids for access as a high-risk endeavor and have been reluctant to mobilize capital into this important sector. Capital is flowing much more slowly than the pace that is required to meet ambitious electrification and climate change mitigation targets.

The Microgrid Investment Accelerator (MIA) is a first-of-its-kind energy access financing facility designed to address these challenges. MIA seeks to mobilize ~$50 million between 2018-2020 to expand clean energy microgrids to communities in India, Indonesia, and East Africa. Supporting organizations include founding partners Allotrope Partners, Facebook and Microsoft, and implementing partners cKers Finance in India, CrossBoundary Energy in Africa, California Clean Energy Fund (CalCEF), Morrison & Foerster LLP, and GivePower.
Improved access to modern energy services is one of the fastest ways to drive socioeconomic development and poverty alleviation. In many markets, electrification has largely been the domain of governments, but the rise of affordable, clean distributed generation technologies is opening new opportunities for the private sector and for public-private partnerships. Renewable energy (RE) microgrids will play a critical role in meeting the household and productive needs of the 1.1 billion people that currently lack affordable, reliable electricity across the globe.

As with most early-stage industries, key barriers to scaling investment in microgrids include: the lack of affordable and accessible capital, unproven business models, and poor market data, among others. Private sector investors see clean energy microgrids for access as a high-risk endeavor and have been reluctant to mobilize capital into this important sector. Capital is flowing much more slowly than the pace that is required to meet ambitious electrification and climate change mitigation targets.

The Microgrid Investment Accelerator (MIA) is a first-of-its-kind energy access financing facility designed to address these challenges. MIA seeks to mobilize ~$50 million between 2018-2020 to expand clean energy microgrids to communities in India, Indonesia, and East Africa. Supporting organizations include founding partners Allotrope Partners, Facebook and Microsoft, and implementing partners cKers Finance in India, CrossBoundary Energy in Africa, California Clean Energy Fund (CalCEF), Morrison & Foerster LLP, and GivePower.

“Innovative instruments to finance microgrids and reduce upfront CAPEX are vital for the growth of the [microgrid] market. Given the size of microgrids, aggregation mechanisms which can group projects and diversify risk are necessary to access large funds.” -WBCSD

MIA will test the commercial opportunity for microgrids and demonstrate how concessionary finance can unlock progressively larger proportions of private capital as risks are discovered, priced, and mitigated. The MIA Facility will open important doors for U.S. businesses, family offices and entrepreneurs seeking access to new markets and investment opportunities by de-risking private sector investment into microgrids in target emerging markets.

As part of the facility design process, a high-level Advisory Committee was convened with experts and practitioners from across the globe, who have contributed their perspective and expertise. MIA will issue its first solicitation to developers for pilot projects in 2017, with the facility disbursing funds at scale in 2018.

MIA has four goals

- **Mobilize Capital:** MIA is a first-of-its-kind blended capital platform that leverages grant and concessionary finance from corporations, philanthropies, family offices, and governments to mobilize private sector capital into renewable energy microgrid projects, with a specific focus on energy access.

- **Catalyze Projects:** MIA will help project developers scale their businesses and reduce transaction costs through: direct provision of corporate and project-level debt and equity, aggregating and de-risking pools of projects, and taking high-risk positions in the capital stack.

- **Make the Business Case:** MIA will help prove the commercial business case for microgrid investment through rigorous data collection, management, and analysis. As much data as possible from the facility will be made publicly available.

- **Build the Microgrid Finance Ecosystem:** MIA will support the microgrid finance ecosystem through a network of partnerships, including with: business accelerators and incubators; policy engagement partnerships; productive equipment financiers (e.g. agricultural equipment and appliances), and strategic co-financing arrangements.

For more information, visit the MIA website at www.microgridinvest.org or contact Alexia Kelly at ack@microgridinvest.org.