

## USAID ANNOUNCES \$125 MILLION IN NEW FINANCING TO SUPPORT CLEAN COOKSTOVES AND COOKING FUELS

### For Immediate Release

Friday, November 21, 2014

**WASHINGTON, D.C.** - The U.S. Agency for International Development (USAID) announced today its intention to make available \$125 million in new private sector financing for manufacturers and distributors of clean cookstoves and cooking fuels through two loan guarantee facilities. The announcement, made at the Cookstoves Future Summit hosted by the Global Alliance for Clean Cookstoves, was part of a larger U.S. Government pledge of support of up to \$200 million for clean cookstoves and fuels over the next five years.

"USAID is pioneering a new model of development-one grounded in a focus on harnessing innovation, public-private partnerships, and local leadership to deliver real, measurable results," said USAID Administrator Rajiv Shah. "Working in partnership with the Global Alliance for Clean Cookstoves, we are creating game-changing solutions in energy, finance, and business that will unlock a brighter future for the world's most vulnerable people."

One facility, being launched today, will make available up to \$100 million in private financing to support the deployment of household technology products - from cookstoves to solar lanterns to water filters - that are critical for the millions of families around the world who lack access to basic social services. This transaction, put together by USAID's Development Credit Authority (DCA), is co-guaranteed by the Swedish International Development Agency (SIDA) and involves private-sector partners, [AlphaMundi](#), the Calvert Foundation, and Signina Capital. USAID estimates that \$25 million of this facility will go toward financing clean cookstoves and cooking fuels.

USAID is also structuring a second guarantee facility to mobilize an additional \$100 million in private financing exclusively targeting manufacturers and distributors of clean cookstoves and cooking fuels. This new financing package will also be co-guaranteed by SIDA, and will support new lending from our anchor financial partners: Deutsche Bank and the Bank of America, as well as other institutional investors.

Paired with technical assistance from GACC and its partners, this facility has the potential to significantly increase availability of commercial capital for the growth of enterprises operating along the clean cookstove and cooking fuel value chains.

USAID's Development Credit Authority uses partial credit guarantees to mobilize local financing in developing countries. Credit guarantees encourage private lenders to extend financing to under-served borrowers in new sectors and regions. By opening up local channels of financing, USAID is empowering entrepreneurs and municipalities in developing countries at a minimal cost to the U.S. taxpayer. DCA has mobilized more than \$3.9 billion in private, local funds to finance development. This guarantee is one of 32 transactions closed this year by DCA, which mobilized a record \$769 million in financing for USAID development priorities around the world. More information: <http://www.usaid.gov/dca>.

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