



ESAF Microfinance and Investments (www.esafindia.org) is an Indian MFI established initially in 1992 as an NGO to address various facets of poverty reduction through formation of self-help groups of women and enabling them access to finance and microenterprise development. In 2008 ESAF was transformed in a regulated Non-Banking Finance Company (NBFC-MFI). With a gross loan portfolio of INR 6,163 million in March 2014 (ca. €79 million) and close to 450 thousand clients across six states in India (Kerala, Tamil Nadu, Maharashtra, Madhya Pradesh, Chhattisgarh and Jharkhand) ESAF is one of the fastest-growing MFIs in the country. In 2013, ESAF was granted STAR (Socially Transparent and Responsible) status by MIX Market.

ESAF offers a range of loan products to its clients including for household water and sanitation improvements, microenterprise development (e.g. for dairy development), and clean energy. ESAF Microfinance is working with global agencies like the World Bank to support environment and livelihood initiatives, and the International Labour Organization (ILO) to support formalisation of business enterprises.

MISSION

To be a leading financial institution, providing customer centric products through high quality service by using innovative technology to underserved households across India.

VISION

A society with equal opportunity for complete access to sustainable financial services that promotes livelihood and economic development.

The initiative presented for the Award 'Clean energy for the poor (CEP) – Improving access to green products for the low income microfinance clients of ESAF' was initially launched on October 2009. It grew organically within the organization and through partnerships with a variety of groups including with Micro Energy Credits (in 2011). In 2012 an independent division within the business was created to spearhead the initiative, which aims to enable poor, rural communities to access beneficial technologies including solar solutions, energy efficient cook stoves, and water filters. In April 2012 the first energy loan was granted in Kerala. The initiative has grown rapidly, and has reached ca. 70 thousand clients, of which 68% live on below 2 USD per day and 90% live in rural areas, and operates in the six states where the MFI is present.

ESAF has a careful approach to vetting both products and technology suppliers, to ensure that the products are appropriate (demanded by customers) and that they work with quality suppliers. The products help clients attain cost savings (through conserving natural resources) and have positive environmental impacts. For example, the solutions help to reduce usage of kerosene, wood fuels, dung and charcoal by providing renewable, clean, energy alternatives. According to ESAF, more than 50% of clients report 'feeling better' in terms of their health (the clients using cook stoves and water filters), around 25% report spending less on energy, and circa 40% say they have more time with their families and time to get involved in other income generating activities because they do not have to collect firewood. Clients also reported that children's reading habits improved as a result of the solar lamps. The initiative now forms a profitable part of ESAF's business.

In addition to the initiative, ESAF is in the process of developing an environmental policy, which is currently under review by the MFI's management.

Use of the Award

If ESAF were to win the Award, they state that they would invest in software and hardware to track real-time data. They would also use the funds to support local entrepreneurs so that sales and service points are moved closer to customers. ESAF would also like to invest in a network of warehouses to store devices. Additionally, ESAF would like to create an account to advance the product purchase price to suppliers in order to shorten the demand-supply gap.