



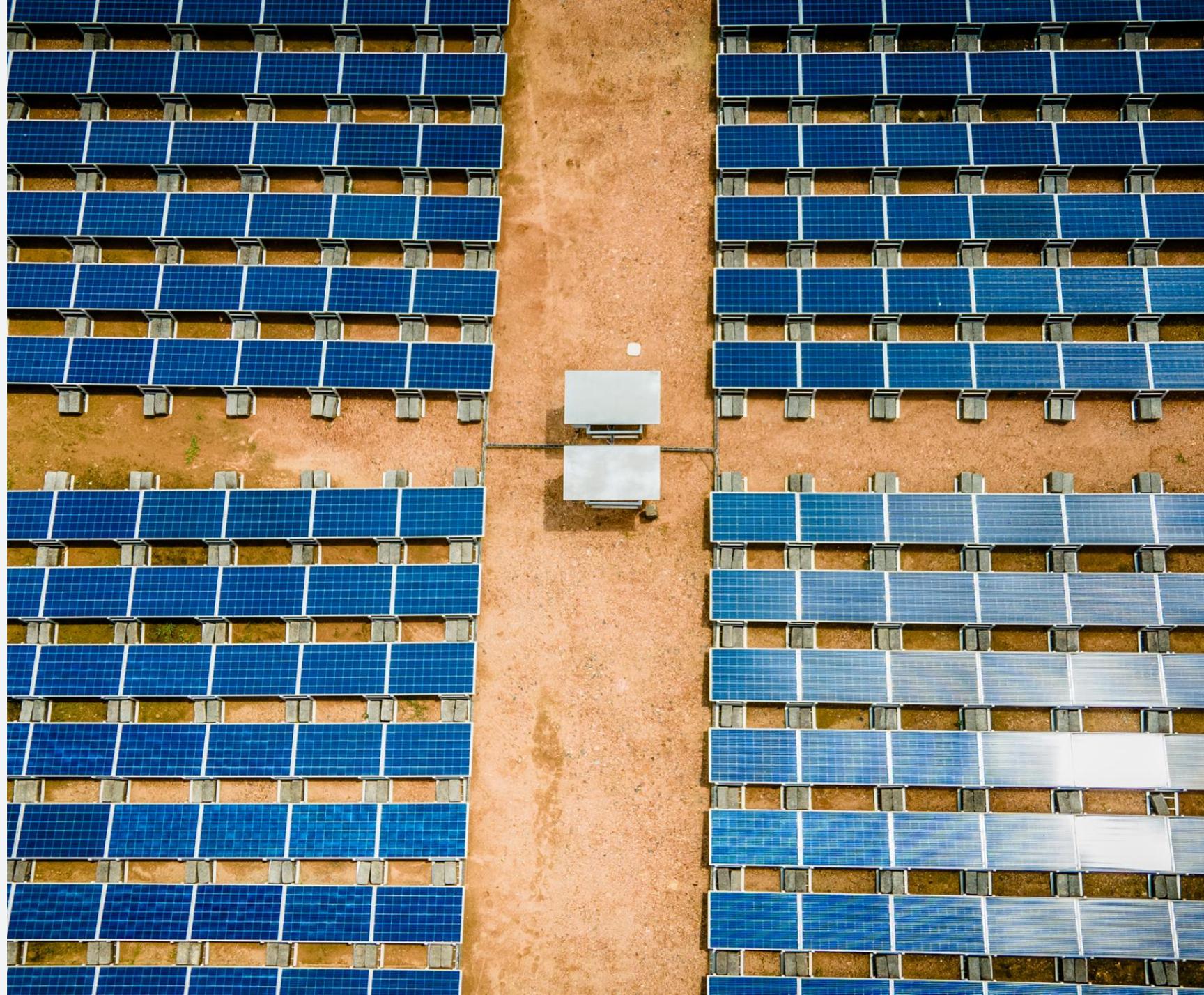
Webinar CEI Africa

9 January 2023

Agenda

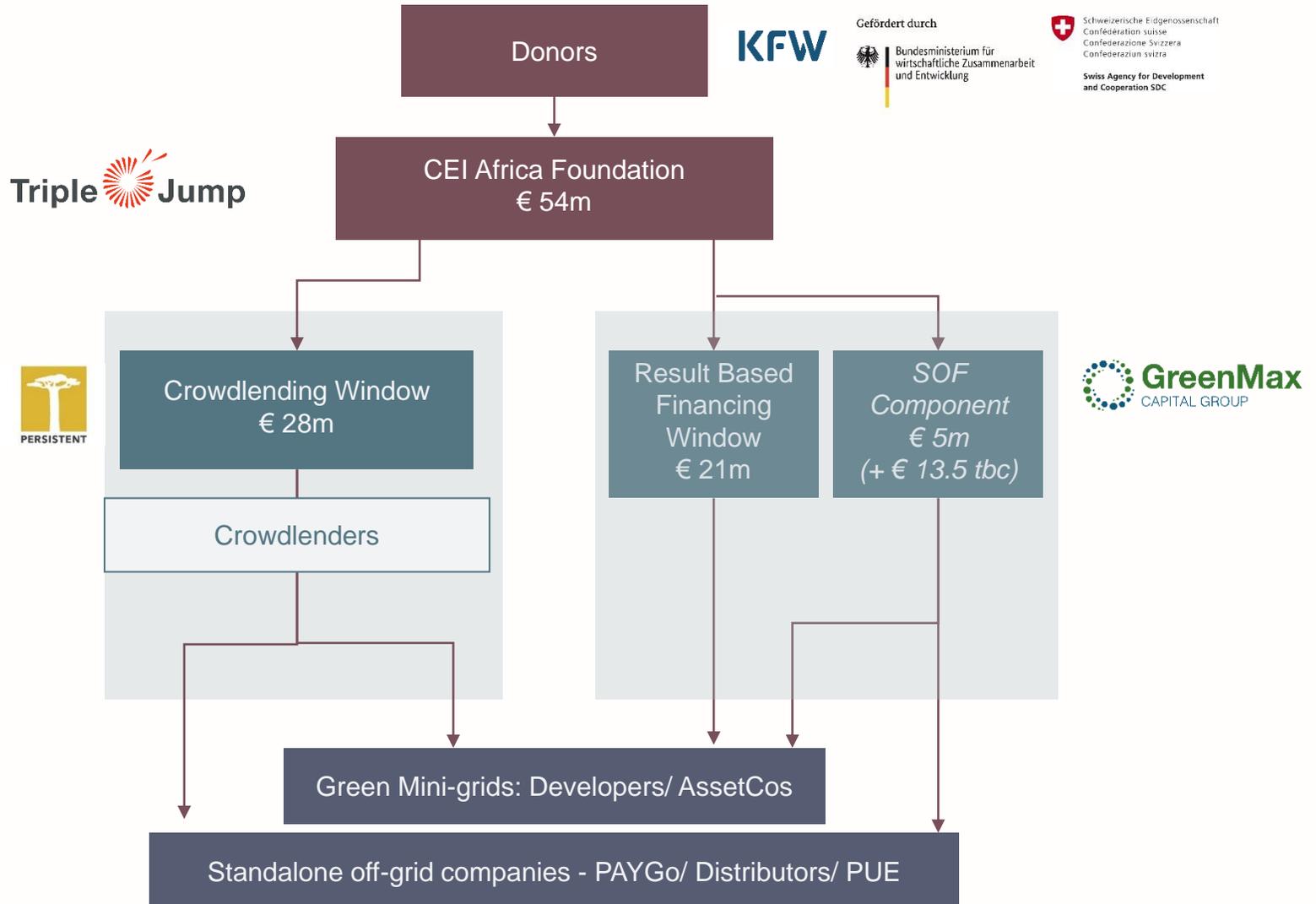
1. Introduction and overview (incl. Crowdlending Window) – 5 mins
2. RBF Window approach, process and timeline – 20 mins
3. SOF Component approach – 15 mins
4. Q&A – 20 mins

1. Introduction and overview



CEI Africa Overview

- ❖ €49m contribution from KfW on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ).
- ❖ CHF 5 million contribution from SDC for the SOF Component.
- ❖ Goal: Leverage investment into clean energy access for people in Sub-Saharan Africa.



The CEI Africa Consortium



Foundation Manager

Emerging Markets Fund manager and advisor with 15+ years track record. AuM: € 900M+¹ AuM. HQ in Amsterdam, with regional office in Nairobi.

Dedicated energy team building on top of our 15+ years' experience in combining investments with TA.

Full-fledged fund services mid- and back office (legal, compliance, risk and impact & ESG).

Role CEI Africa

Overall responsibility for management of the foundation, incl. risk management, impact measurement & reporting, ESG, compliance, finance & admin and management of the TA facility.



Crowdlending-window lead

Africa's climate venture builder with 10+ years experience investing and supporting off-grid energy companies in emerging markets. HQ in Zurich with regional offices in Nairobi, Kenya and Lagos, Nigeria.

22 early-stage investments (4 exits) in PAYGO solar home systems (SHS), commercial and industrial solar, ecosystem enablers, and e-mobility players across 16 countries.

Role CEI Africa

Lead of the crowdlending window, incl. first point of contact with Crowdlenders, managing the co-investment process with Crowdlenders (pipeline, screening, DD), and portfolio monitoring.



RBF-window lead

Established emerging markets sustainable energy finance advisor with deep project finance expertise. HQ in the US and regional presence in Sub-Saharan Africa.

Raised over USD 1b in capital for renewable energy projects.

Specialists in off grid energy risk mitigation and local currency financing – launching the Green4Access First Loss Facility and the GreenStreet Africa DevCo.

Role CEI Africa

Lead of the RBF window, incl. first point of contact for mini-grid developers, application processes, assessment applications, IT platform.

Strategy Crowdlending Window

Objective

Strengthen Crowdlenders and their capacity to invest in the off-grid energy sector (catalyze private funding) and ensure lending to Off-Grid Energy Sector and GMG sector

A. Target sectors and countries

Off Grid Energy companies:

- ❖ Sectors: SHS, off-grid C&I, Productive Use of Energy (e.g. solar irrigation).
- ❖ Focus countries: Benin, Ethiopia, Ghana, Ivory Coast, Mozambique, Namibia, Senegal, Uganda, Zambia

Green Mini Grids (GMG):

- ❖ Type of finance: Corporate lending and project finance
- ❖ Focus countries (first round): Sierra Leone, Benin, Mali, Madagascar, Kenya, DRC (to align with RBF Window)

B. Products

Co-financing with with Crowdlenders:

- ❖ Senior debt (20-30%)
- ❖ Sub-debt (30-50%)
- ❖ Equity/Quasi-Equity (20-30%)
- ❖ Guarantees (e.g. FX) (0-20%)

Technical Assistance (TA) (up to EUR 1m):

Operational strengthening of Crowdlenders and their investees

C. Process

- ❖ **Process 1:** Onboard Crowdlenders: assess potential for reliance on investment process
- ❖ **Process 2:** Co-financing borrowers with Crowdlenders through "Lean Lending" or direct investments

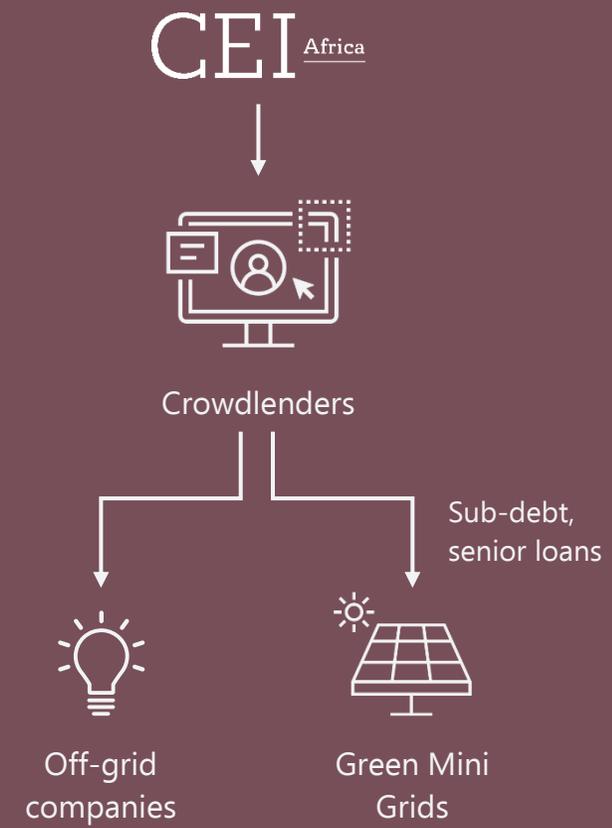
Crowdlending window

Cooperation with crowdlenders

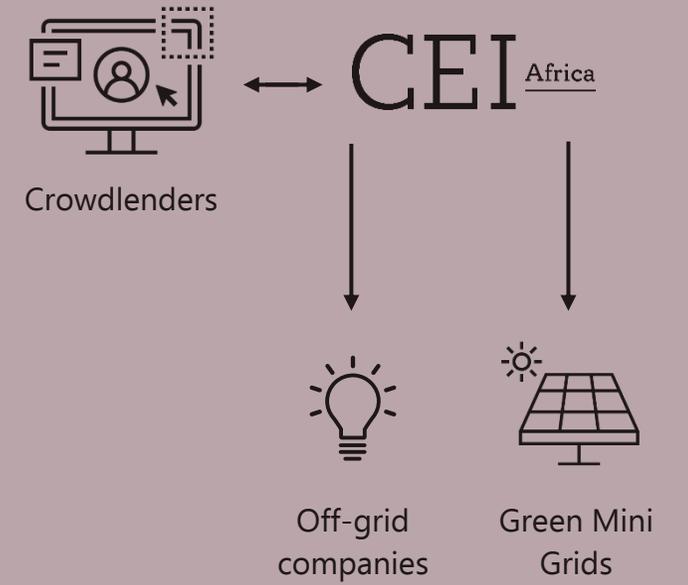
Supporting the off-grid energy sector together with crowdlenders, catalyzing private capital into the sector



Lean lending



Direct Investments



2. RBF Window

Approach, process and timelines



Strategy RBF Window

Objective

To improve energy access to Africa's most vulnerable populations. CEI will accelerate the growth of renewable electricity provision via Green Mini Grids through Results Based Financing (grants).

A. Target sectors and countries

Green Mini Grids (GMG):

- ❖ Sectors: Green Mini Grid developers
- ❖ Focus countries (first round): (1) Kenya (2) DRC (3) Sierra Leone (4) Benin (5) Madagascar (6) Mali (we will release DRC and Mali in January 2023. The rest of the countries will follow based on demand post other programs e.g. UEF)

B. Products

Result based financing payments:

- ❖ Grants

Technical Assistance (TA) (up to EUR 1m):

Operational strengthening of GMGs and their portfolios

C. Process

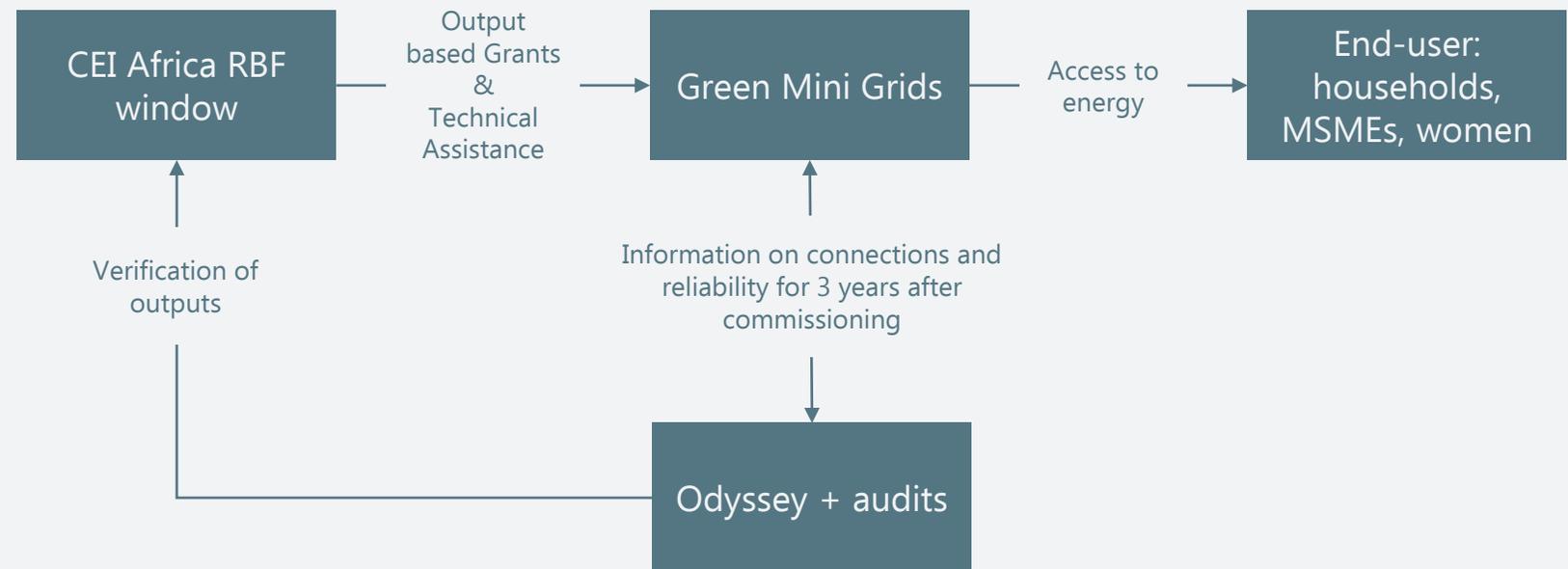
- ❖ **Process stage 1:** Pre-qualification of GMG developers
- ❖ **Process stage 2:** Grant application for specific Green Mini Grid sites [**Note:** Funding will be channeled through SPVs/Asset cos i.e. aligned to project finance principles]

D. Odyssey IT Platform

- ❖ Grant payments are done based on number of connections (claims made by developers)
- ❖ GreenMax, through the IT Platform Odyssey conducts remote verification of all submitted connection claims.
- ❖ Grantees agree in the Grant Agreement to provide quarterly project mini-grid data to CEI Africa for 3 years after commissioning of project in order to support measurement and evaluation on the overall and country-specific mini-grid sector and market development.

RBF Window

Output based



Payments of results-based grants are based on number of connections

Budgets

Total allocation

Total CEI Africa budget for RBF is EUR 21m, of which EUR 1m will be allocated to TA

Country limit

60% of the total RBF allocation (i.e. EUR 12.6m). Note: For Call 1 we will not award more than Euro 5M in total RBF grants. Future calls across several countries will be on a first come-first serve basis until the total RBF Grant budget is exhausted. Applicants from Kenya that do not receive funding under Call 1 may reapply under Call 2.

Grantee limit

No single company (determined as the ultimate owner) may receive RBF grants totaling more than 20% of the full RBF Grant allocation of CEI Africa (i.e. at present the maximum total for any single company is EUR 4.2m across all Calls).

Technical Assistance budget

A total of EUR 1m will be available for Technical Assistance grants for GMG developers in Kenya, Madagascar, DRC, Sierra Leone, Mali and Benin. TA will be awarded throughout the duration of the TA facility.

Pre-qualification criteria

Key documents:

1. Operating Manual
2. Grant Agreement
3. FAQs
4. TA program announcement
5. ESG Policy
6. Compliance Policy



Legal personality

Domicile and jurisdictions

Experience/track record

Prior funding by CEI Africa

Size

Compliance

Gender representation

Consortia

E&S

Site qualification criteria

Key documents:

1. Operating Manual
2. Grant Agreement
3. FAQs
4. TA program announcement
5. ESG Policy
6. Compliance Policy

Site data

Site design

Local support

Financial resources

Legal and licensing compliance

Other concessional funding

Site development status

Operational capacity

Gender

E&S impact

Environmental and Social (E&S) and Impact Pre- Qualification

CEI Africa E&S Policy

All GMG Developers must be compliant with CEI Africa's E&S Policy. Compliance will be checked at Pre-Qualification stage through an E&S Questionnaire, to be uploaded and submitted with the application on Odyssey.

Excluded activities

CEI Africa excludes any projects that are likely to result in high environmental and social risks (Category A). This includes: **Large GMGs (>30MWp)** and activities or investments that require the **involuntary resettlement of people**, activities in **protected areas or within animal migratory corridors**, and biomass IPPs that result in **significant deforestation or habitat degradation**.

Requirements

GMG Developers need to maintain or develop an ESMS in line with international standards and commensurate to the risks of funded operations. GMG Developers also must have minimum 10% of women at both management and operational levels of the company. Any further gaps found with the E&S Policy during assessment will be included in legal agreements in the form of an E&S Action Plan with CEI Africa.

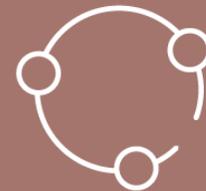
Technical Assistance available

Technical Assistance grants will be available to help GMG Developers align fully with CEI Africa's E&S Policy.

TA categories



Legal

Financial investor
readiness and
strategyIT system and
supportGender and
HR supportESG and
complianceProductive
use support

Other

Technical Assistance offer RBF Window

Objective

Help GMGs either meet the conditions for preparing successful RBF applications or to support the implementation of GMGs receiving grant funding from the RBF Window.

RBF Timelines and Deadlines



3. SOF Component



Strategy SOF Component

Objective

To positively impact rural and peri-urban livelihoods by incentivizing the deployment of PUE technologies, and thus supporting the growth of the PUE sector in Sub-Saharan Africa.

CEI will accelerate the growth of productive use of energy equipment use via Green Mini Grids and OGE through Results Based Financing (grants).

A. Target sectors and countries

Green Mini Grids (GMG): (Phase 1)

- ❖ Sectors: Green Mini Grid developers with intention to extend PUE
- ❖ Preliminary countries: (1) Kenya (2) DRC (3) Sierra Leone (4) Benin (5) Madagascar (6) Mali (7) Uganda (8) Cameroon. Focus countries per call to be determined.

Stand alone off-grid enterprise (OGE): (Phase 2)

- ❖ SHS distributors, including PAYGO and PUE companies.
- ❖ Preliminary countries: (1) Kenya (2) Rwanda (3) Senegal (4) Nigeria (5) Sierra Leone (6) Burkina Faso (7) Cote d' Ivoire (8) Mali (9) Zimbabwe (10) Mozambique (11) Malawi (12) Namibia. Focus countries per call to be determined.

B. Products

Result/outcome based financing payments :

- ❖ Grants, partly based on the Social Impact Incentives Concept (SIINC), i.e., Partly based on outcomes, e.g., impact on end beneficiaries
- ❖ Grants to be disbursed in three tranches within a 12 months period after installation of PUE.

Technical Assistance (TA) (up to EUR 1m):

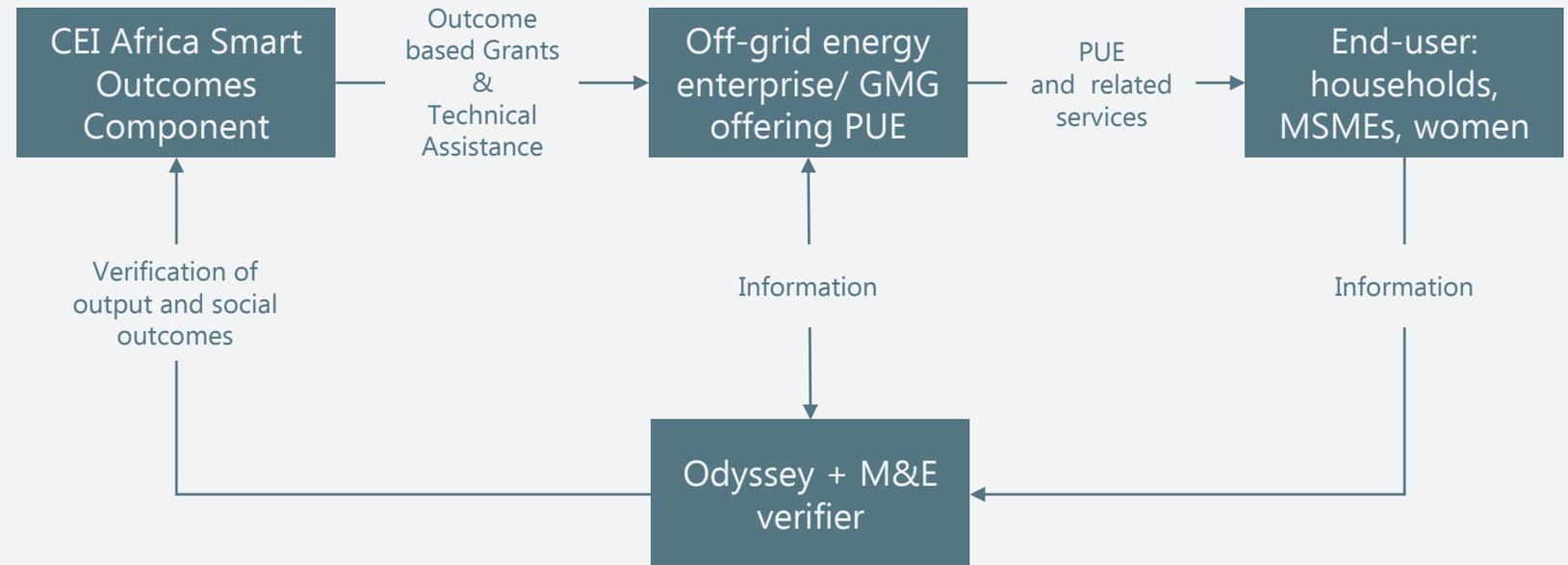
Operational strengthening of GMGs and stand alone off-grid enterprises

C. Stages

- ❖ **Phase 1:** Pre-qualification
- ❖ **Process 2:** Grant application for specific projects (could be GMG site, specific PUE, etc.)

Smart Outcomes Based

Adding outcomes based payments for PUE



SIINC Methodology:

- ❖ Reward impact-oriented private enterprises for the specific positive impacts they generate.
- ❖ Financial Incentives based on PUE deployment & agreed impact.
- ❖ Impact verification
- ❖ Indicators include no. of people reached with PUE equipment, first time access to PUE Technology, Women's empowerment

Strategy SOF Component

Objective

To positively impact rural and peri-urban livelihoods by incentivizing the deployment of PUE technologies, and thus supporting the growth of the PUE sector in Sub-Saharan Africa.

CEI will accelerate the growth of productive use of energy equipment use via Green Mini Grids and off grid energy enterprises through Results Based Financing (grants).

D. Odyssey IT Platform

- ❖ Grant payments are done based on PUE installation and outcomes and impact generated.
- ❖ GreenMax, through the IT Platform Odyssey conducts remote verification of all submitted installation claims.
- ❖ Monitoring, Evaluation & Verification Consultant conducts evaluation and verification of impact and outcomes.
- ❖ Grantees agree in the Grant Agreement to provide impact data to CEI Africa for 3 years after installation of PUE in order to support measurement and evaluation on the overall and country-specific mini-grid sector and PUE market development.

E. Implementation

- ❖ **Phase 1:** Launch call end of Q1
- ❖ **Phase 2:** Launch in Q3

F. Grantee limit

Grants of up to EURO 600K may be applied for by each applicant in Phase 1 (up to EURO 150K per GMG site), and up to EURO 500K for Phase 2.

G. Technical Assistance budget

A total of EUR 855K will be available for Technical Assistance grants. TA will be awarded throughout the duration of the RBF facility.

4. Q&A





Contact us

For general questions on CEI Africa

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