



Innovative Financing Instruments for Decentralised Renewables in Africa

**Accra, Ghana
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Bank Group Overview



African Development Bank (“ADB”)

- Established in 1964
- 54 African and 26 non-African countries
- Authorised capital: USD 93 billion
- Resources primarily raised from capital markets



African Development Fund (“ADF”)

Established in 1972

Subscription: USD 36 billion

Financed by 27 state participants including 4 regional donors

Resources primarily raised from donors



Nigeria Trust Fund (“NTF”)

Financing Instruments



GMG HELPDESK

- Screening of GMG projects
- Business development Support to individual projects.
- Initial Country programme design
- Compliance checks for RBF applications

SEFA

- *(screening with helpdesk)*
- Project Preparation Grants for larger projects
- Grant for full Country programme structuring
- Output-based grants / viability gap financing

FEI & BANK

- *(Screening with helpdesk)*
- Financial structuring support
- Stapled financing as part of Country programme
- Commercial financing & syndication

“Continuum approach” / building on complementarities

SEFA in a nutshell



- Risk capital to unlock private investments (TA + equity)
- Holistic approach / Ecosystem development

Investment Platforms

Scale-up Programmes

Feasibility studies
Transaction advisory
Fundraising support



GREEN MINI-GRID
HELP DESK



Policy & Regulatory
Capacity-building
Advisory & structuring



Technical assistance

- support through grants and reimbursable grants
- project preparation and enabling environment.
- increased focus on activities that will directly unlock investments.



Concessional investment

- catalytic risk capital and viability gap financing
- grants (including RBF), junior equity and concessional debt
- to be “blended” with commercially-priced investments

Converting
SEFA

Facility for Energy Inclusion

The Facility for Energy Inclusion (FEI) is a flagship initiative of the African Development Bank to be the cornerstone of its New Deal on Energy for Africa which seeks to establish an 160GW of new capacity, establish 130 million new on-grid and 75 million off-grid connections

Fund Strategy

- The Facility for Energy Inclusion (FEI) is debt financing platform for small-scale projects with the objectives of aggregating capital, structuring bankable projects and accelerating delivery as to increase access to clean energy across Africa.
- FEI has 2 windows, FEI On-grid, and OGEF, the off-grid fund

Anchor Investor

- AfDB launched FEI to close funding gaps in the sector and catalyze growth in last-mile energy access
- In December 2016, the AfDB Board approved a \$100 million seed financing package (US\$50m equity and US\$50m debt) to leverage up to \$400 million in co-investments from concessional and commercial investors.

Development Impact

- FEI will provide high-quality clean power for households and businesses, replacing diesel, wood, and kerosene to improve environmental and health outcomes, save money, and support the expansion of economic activity. Job creation, especially from distribution & service in the off-grid sector, is expected to be substantial.

Two Windows

FEI On-grid

- \$400m on-grid renewable energy and mini-grids
- \$70m contributed by AfDB
- Investment limit at \$30m or 25MW
- Project and corporate financing

OGEF

- *\$100m off-grid energy Fund managed by LHGP AM (\$30m contribution from AfDB)*
- *Targets PAYGO and energy access ecosystem*
- *Consumer financing secured by receivables*

Country programmes

supporting policies and regulations, feasibility studies and capacity building.

- Mozambique
- Burkina Faso
- Democratic Republic of Congo
- Gambia
- Rwanda
- Niger

Market development programme (MDP)

addressing regional market challenges to transform the sector into a thriving industry.

- TA support to > **75 GMG** developers
- Testing a quality assurance framework
- 25 Country Opportunity Assessments
- Various knowledge products
- Developed RBF instrument

Green Mini Grid HelpDesk



GREEN MINI-GRID
HELP DESK

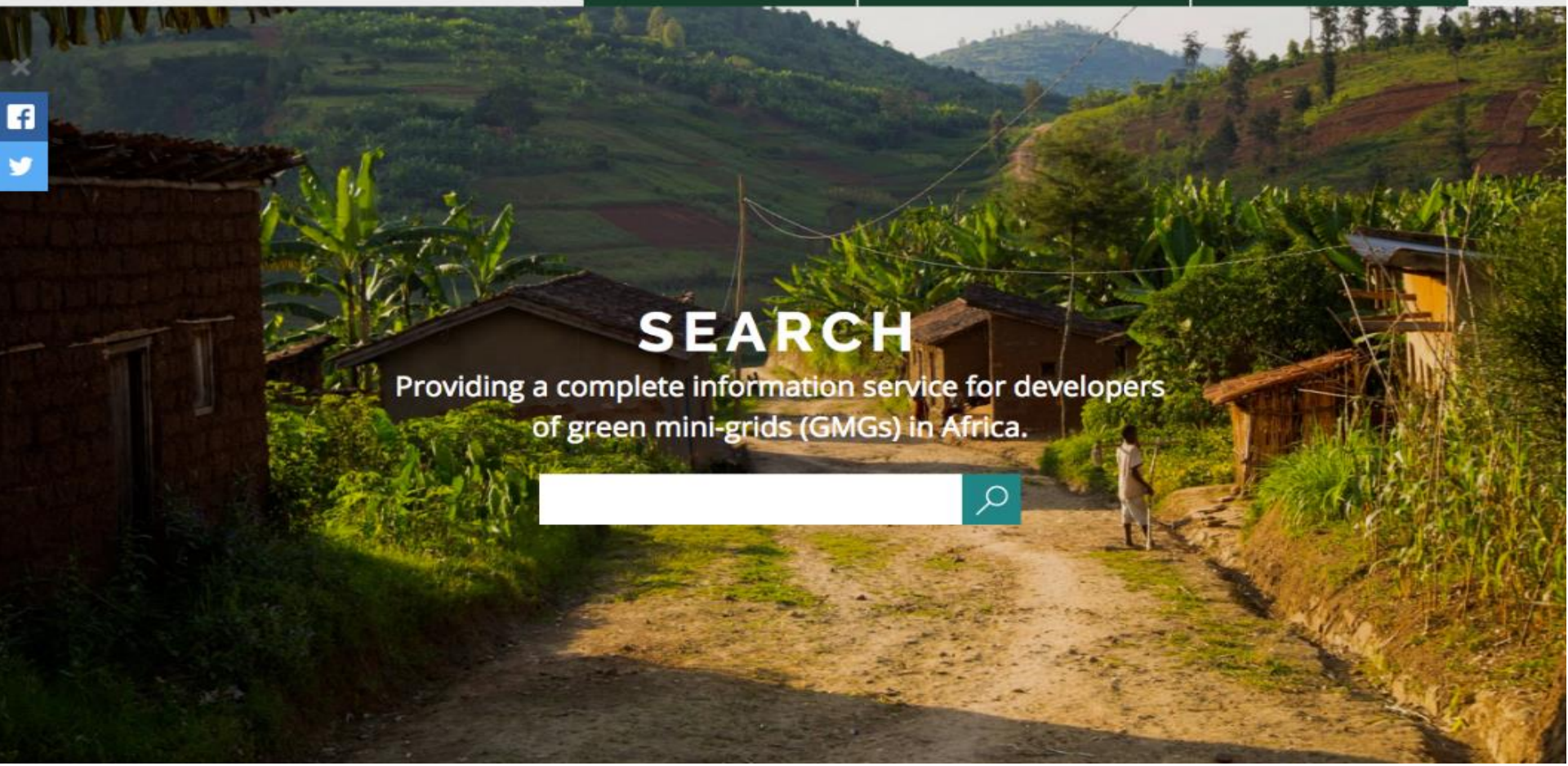
ABOUT US



HOW IT WORKS ▾

REFERENCE LIBRARY

APPLY FOR HELP



SEARCH

Providing a complete information service for developers of green mini-grids (GMGs) in Africa.



Medaase



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