



14 June 2019

**EDFI** AgriFI

**EDFI** ElectriFI



# EDFI Management Company



**EDFI** Management Company



**EDFI** ElectriFI

**EDFI** AgriFI

**T&C**

Funded by



**EDFI** Management Company

Incorporated in **April 2016**

## Governance:

- Board comprised of European DFIs
- Investment Committee composed of DFIs + European Commission

## EDFI standards:

- E&S standards
- Strict KYC/AML policies



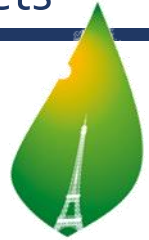
# EDFI **ElectriFI**

The Electrification Financing Initiative



# An impact investment facility

A closed-ended facility focused on access to energy in frontier markets



COP21·CMP11  
**PARIS 2015**  
UN CLIMATE CHANGE CONFERENCE

## ElectriFI

- invests in **early stage** private companies and projects;
- focusing on **new/improved electricity connections** as well as on **generation capacity**;
- from **sustainable energy sources**;
- in **emerging markets**.

**1**

### ADDITIONALITY

Crowding In + Derisking + facilitating

**2**

### NEUTRALITY

No distortion + Exit strategy + Transparency

**3**

### IMPACT

RE technologies + New MW's + New connections +  
New jobs + Less CO<sub>2</sub>

**4**

### REIMBURSABILITY

Private sector + Equity to debt + HCY or LCY +  
EUR 0.5 to 10 M + Long term

# Offering

**Product range: Development finance, Debt, Quasi-equity, Equity**

Flexible structuring

**Tenor: typically 7 years**

**Investment size: EUR 500k - EUR 10m** (or LCY equivalent)

**Pricing: Commercial** (no crowding out)

**Corporate and Project Finance investing in renewable energy technologies:** Wind, solar PV, geothermal, W2E, hydro, biomass & biogas

Investment does not exceed 50% of the total project costs

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ElectriFI does not provide grant funding, concessional loans or other low-cost capital

# ElectriFI facilities

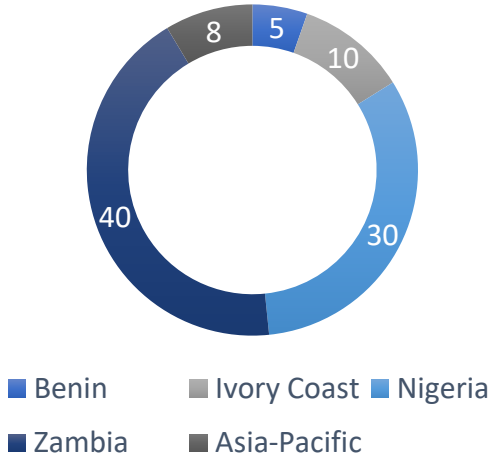
## **ElectriFI** global

EUR 116mln over 15 countries so far



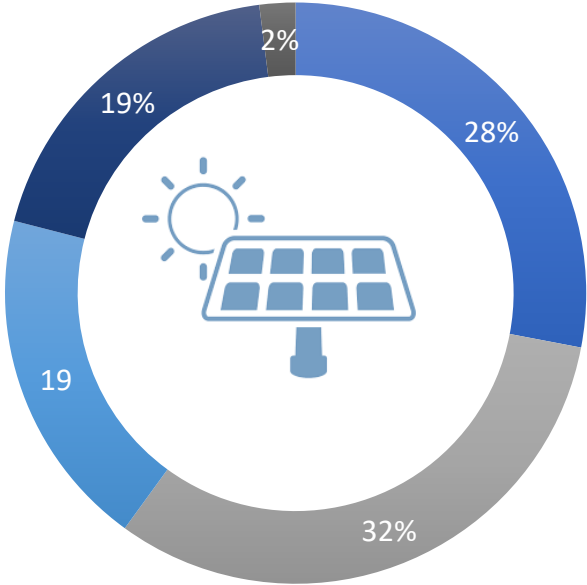
## **ElectriFI** country windows

Total assets: EUR 93 million



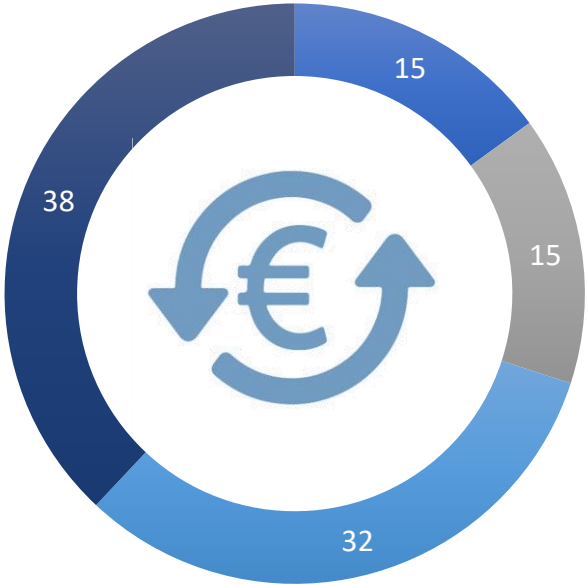
# Distribution

Business model



■ Mini-grid ■ IPP ■ CPP ■ SHS ■ Other

Financing instrument



■ Equity ■ Quasi-equity ■ Jr debt ■ Sr debt ■ Other



Impact  
investment

EDFI **ElectriFI**



POWER  
AFRICA  
A US CONSTRUCTION COMPANY

 Sweden  
Sverige

# Achievements

**18 investments**

**EUR 22.2 million**



582 kilotons of CO<sub>2</sub> avoidance



253 MW capacity installed



987,523 connections



1,146 GWh renewable energy per year





# Investment mechanisms

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POWER  
AFRICA  
A US COMMERCE/CEA INITIATIVE

 Sweden  
Sverige

# Business models



## MINI GRID

- small-scale electric networks
- isolated (mostly rural) group of customers
- Independent from national electricity transmission networks



## SOLAR HOME SYSTEM

- Stand-alone photovoltaic systems that offer a cost-effective means of supplying power for lighting and appliances to remote off-grid households



## INDEPENDENT POWER PRODUCER

- Private facilities generating electric power for sale to utilities.
- Either energy producers, or non-energy companies selling their excess energy production



## CAPTIVE POWER PLANT

- Industrial or commercial power generation facility used and managed for own consumption.
- off-grid or on-grid



## OTHERS

- Biogas
- Hydro developer
- Energy efficiency
- Etc.

# Investment process



Timeline to closing varies from 7 to 15 months

# Investment Criteria

## On-Grid

- ✓ Land / grid-connection secured
- ✓ Financial model / Development plan
- ✓ Co-sponsors
- ✓ Clear understanding of risks

## Off-Grid

- ✓ Track record
- ✓ Financial model and fundraising plan
- ✓ Product licenses and Portfolio quality
- ✓ Distribution channels
- ✓ Payment collection method





# Case studies

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# Redavia

REDAVIA  
SOLAR POWER

NEWS ALERT – 5 March  
REDAVIA Supports Leading  
International Chocolate  
Manufacturer Barry  
Callebaut to Reduce Its  
Carbon Footprint

## Ghana

- USD 2 million
- Senior debt
- Solar C&I
  
- 26 700 connections
- 135 000 beneficiaries
- 47 898 MWh/y
- 16 700 tCO<sub>2</sub> eq/y
- 33,4 MW



EDFI Electrifi



POWER  
AFRICA  
A U.S. GOVERNMENT-LED PARTNERSHIP

Sweden  
Sverige

# Solarworks!



## Mozambique

- USD 4 million
- Senior debt
- Solar home Systems

- 120 000 connections
- 600 000 beneficiaries
- 1 800 MWh/y
- 700 tCO<sub>2</sub> eq/y
- 1,2 MW



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# Kivu Green Energy



## Democratic Republic of the Congo

- EUR 1,17 million
- Quasi-equity
- Hybrid mini-grid + C&I
- 560 connections
- 2800 beneficiaries
- 1700MWh/y
- 1360 tCO<sub>2</sub> eq/y
- 1,3MW



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# Virunga



Rwanda, Kenya, Tanzania

- USD 2,5 million
- Quasi-equity
- Hydro developer
- 30 000 connections
- 120 000 beneficiaries
- 83 866MWh/y
- 95 191 tCO<sub>2</sub> eq/y
- 48MW



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# Get in touch

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# Impact investment in sustainable agriculture

EDFI AgriFI



This Programme is funded  
by the European Union

# Smallholder farmers : key players for Agriculture

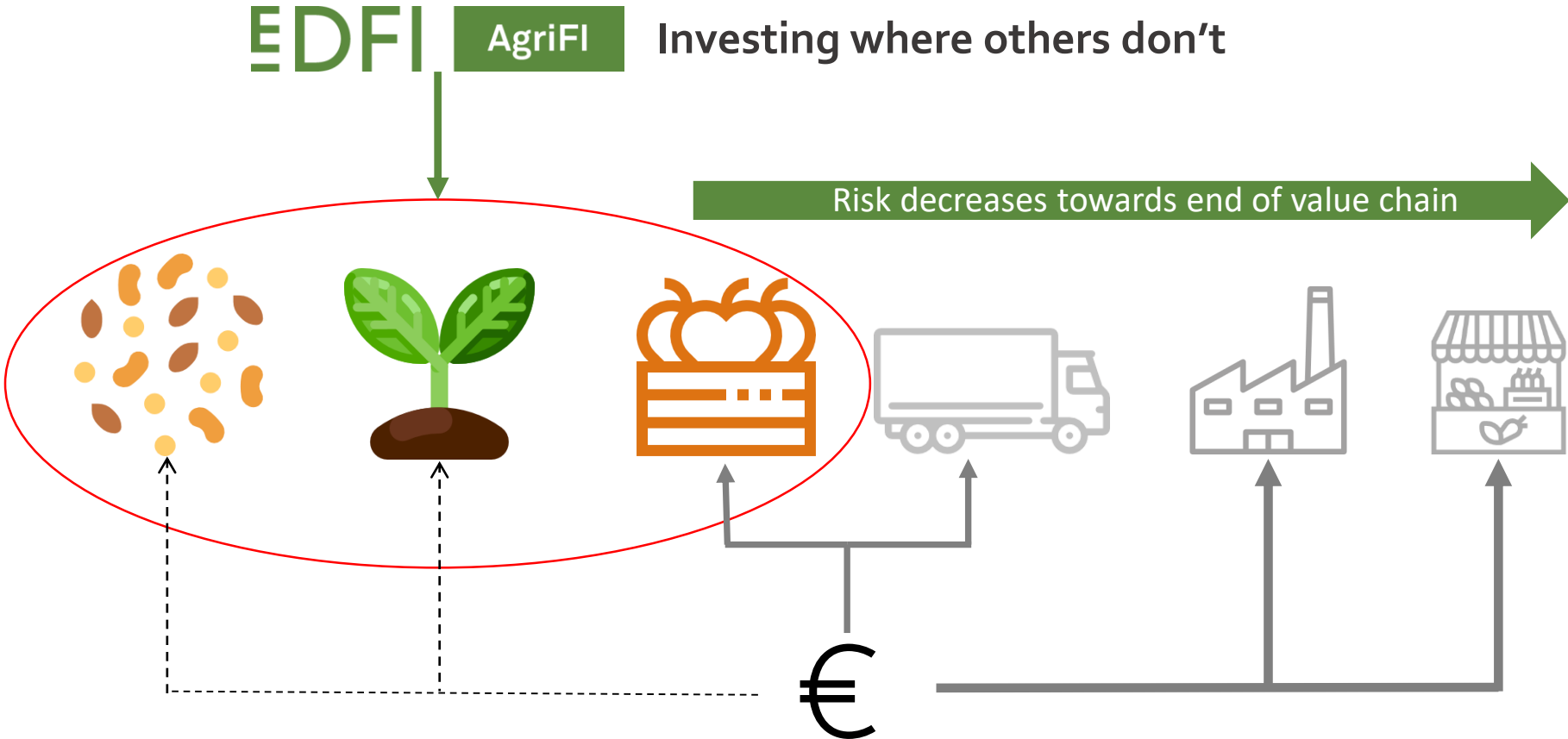
86%

Agriculture is a source of livelihood for 86% of rural people and of jobs to 1.3 billion smallholders and landless workers.



Financing gap for farmers in all commodities: \$27bn

# The high risk profile of smallholders agribusiness



# The Agriculture Financing Initiative



## An Impact Investment Facility

- **Impact ...**  
=> focus on **smallholder's** inclusiveness (VC)
- **... Investment Facility**  
=> unlock, accelerate and leverage sustainable **investments**



# Joining EU and EDFI forces

**EDFI** European  
Development  
Finance  
Institutions



## EDFI best practices

- ✓ High performance standards (ESG, KYC)
- +
- ✓ **Financial sustainability** as part of the business assessment

## EU funding

- ✓ **Flexible, subordinated** funding
- +
- ✓ Provide **credibility**

# Investing for sustainable impact



# Offering

Investment does not exceed 50% of the total project costs

- **Tickets size:** 1 to 5 m€ investments
- Medium-long term tenor: **5-7 years**
- **Flexible** instruments: equity, quasi-equity, junior/senior debt
- Sectors: **agricultural and forestry** value chain
- **Catalyst role:** additional to other market players and thus catalysing additional investments

*AgriFI does not provide grant funding, concessional loans or other low-cost capital*

1

## ADDITIONALITY

Crowding In + Derisking + facilitating

2

## NEUTRALITY

No distortion + Exit strategy + Transparency

3

## IMPACT

N° farmers + farmers revenue + Agri. production + Area under cultivation + direct jobs created

4

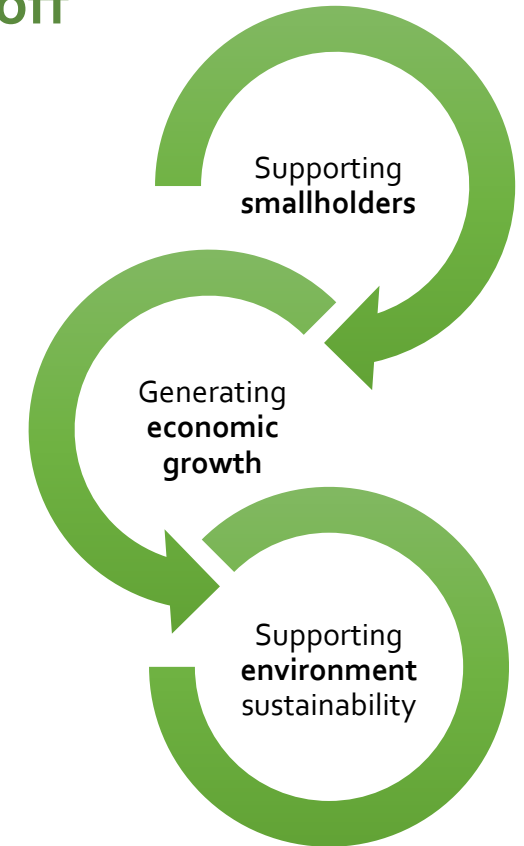
## REIMBURSABILITY

Private sector + Equity & loans + EUR 1 to 5 M + medium to long term

# Investment criteria

- 1 Commercial viability
- 2 Additionality
- 3 Impact
- 4 Sponsor/team
- 5 E&S compliance

## AgriFI's triple payoff



Goal: ensure financial sustainability, transparency, and environmental and social accountability.

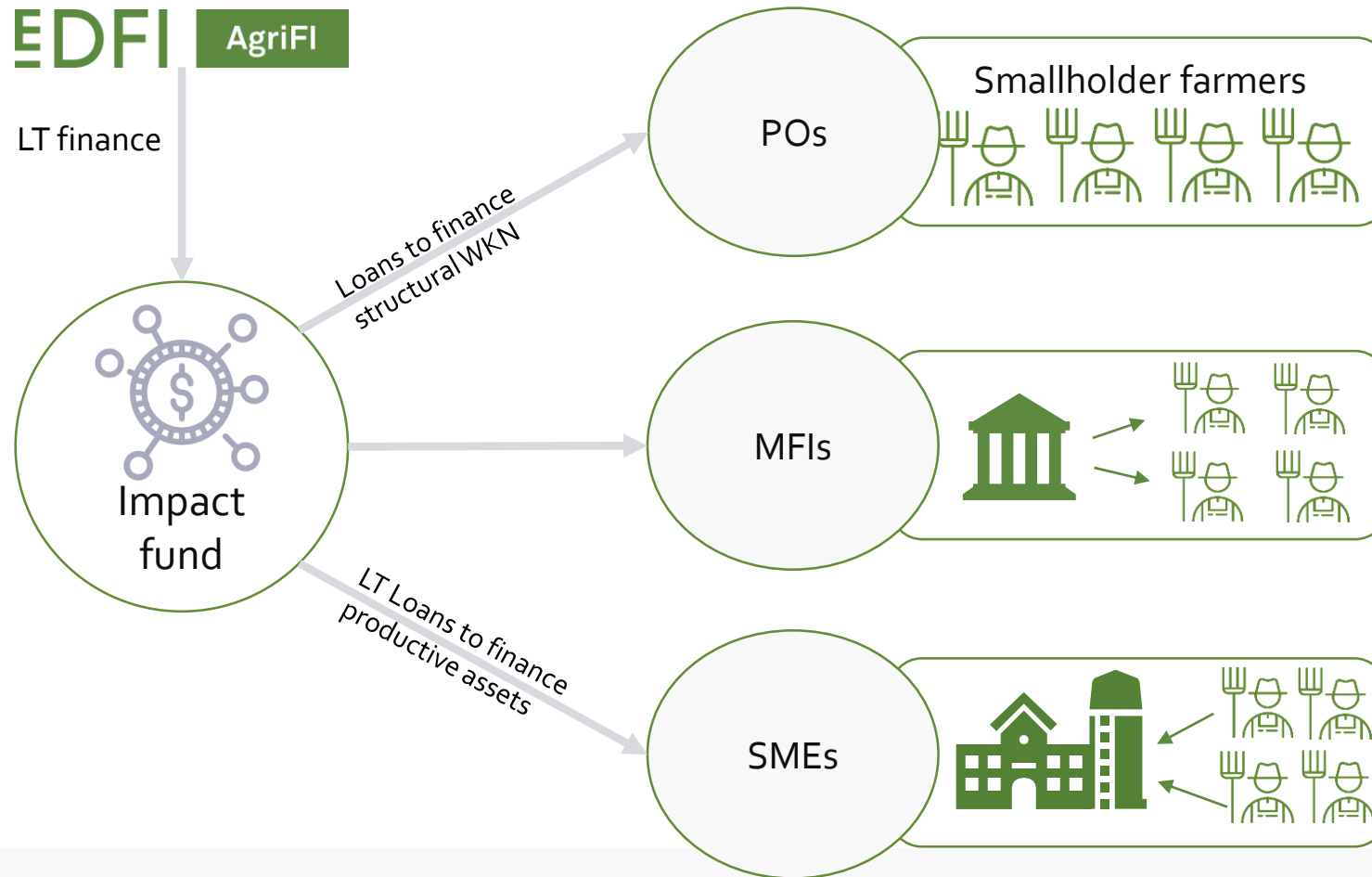
# Investment process



# Case studies

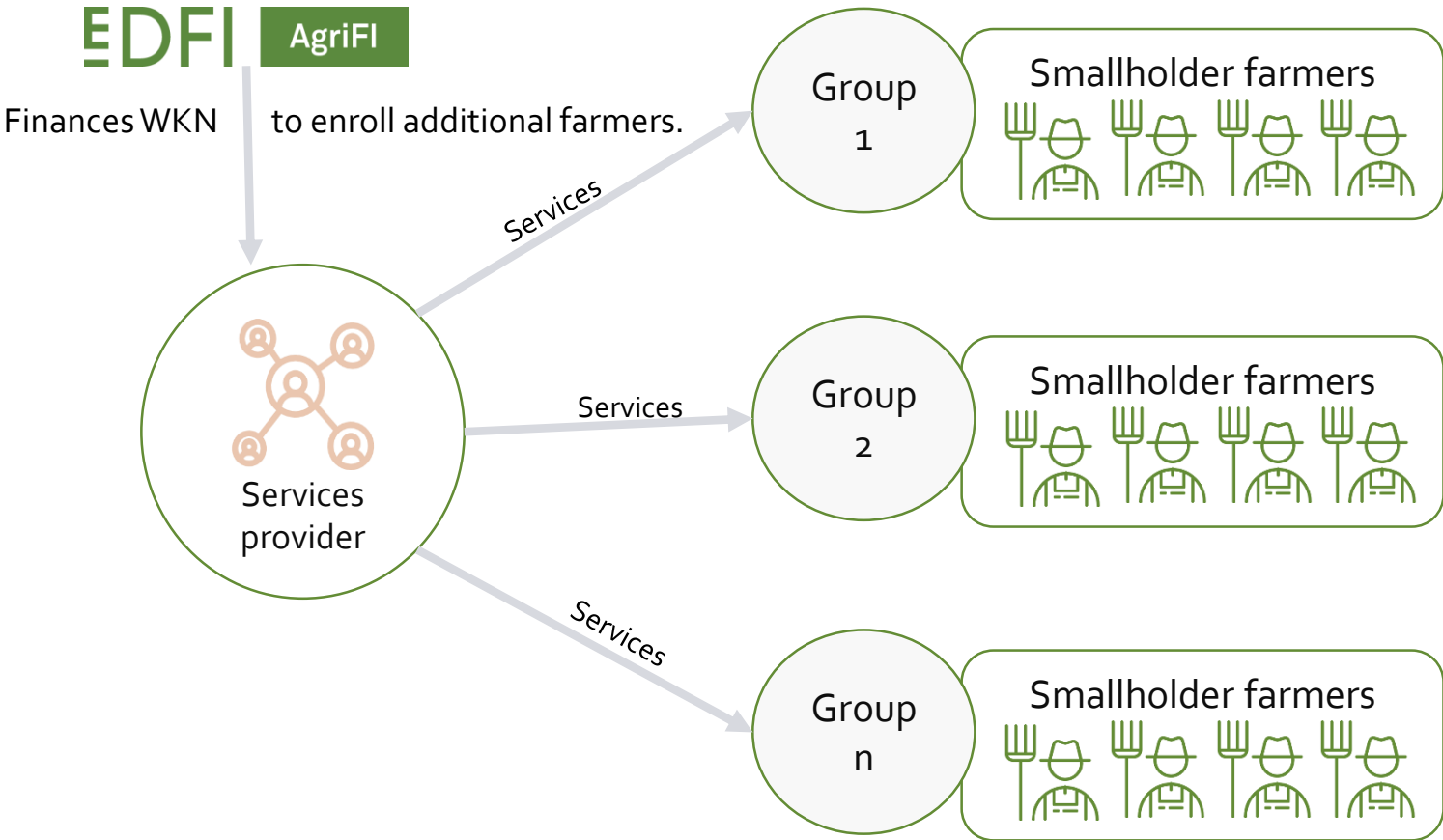


# Indirect investments : Impact funds



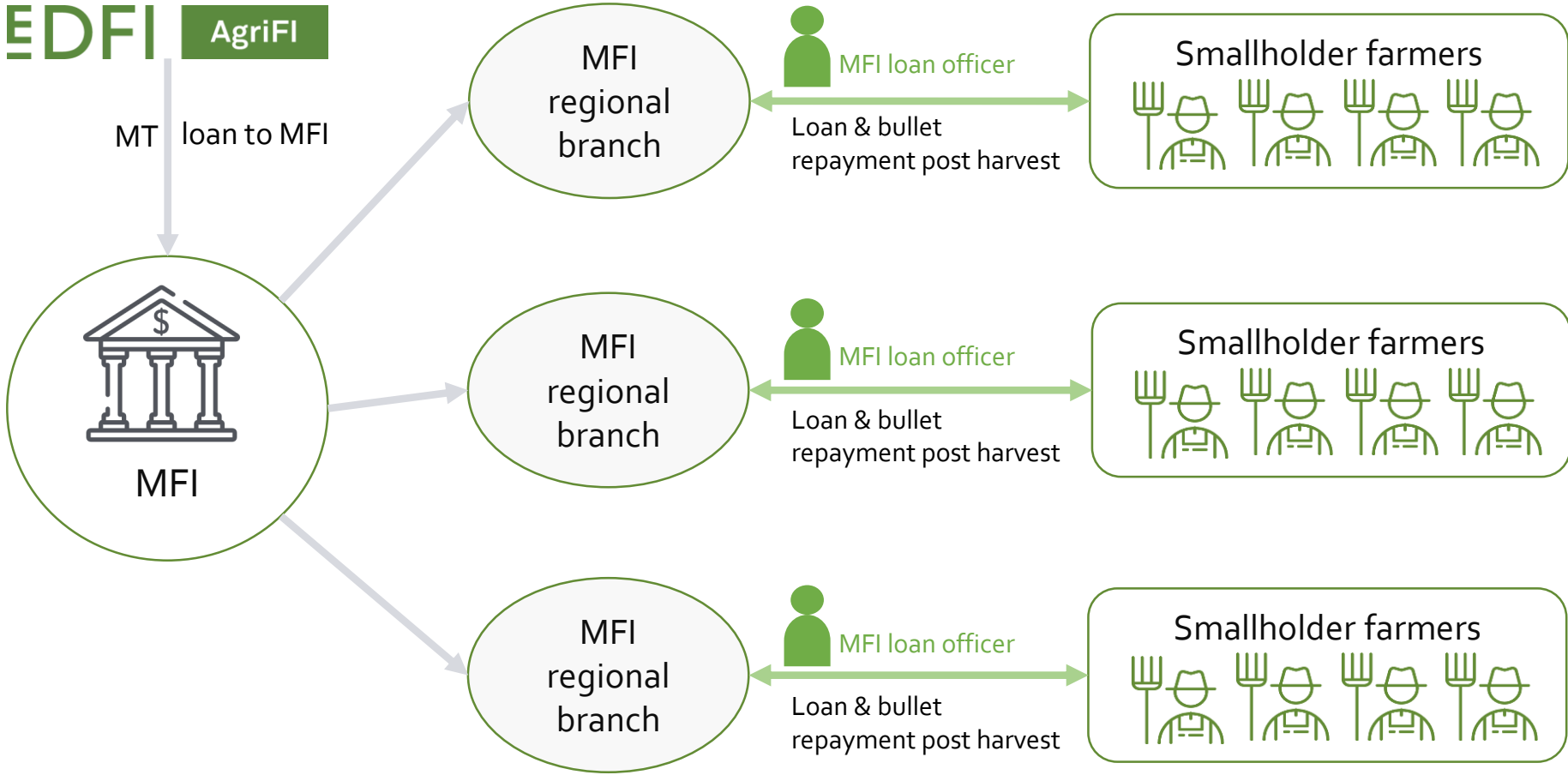
AgriFI enables an impact fund to provide LT finance.

# Direct investments: Service provider



AgriFI supports a smallholder farmers “service provider” to sustainably increase yields and livelihoods for farmers.

# Direct investments: MFI focusing on rural customers



AgriFI supports a rural MFI, which offers loans tailored to smallholders needs: small unsecured loans at land preparation that they can repay in one piece post harvesting

# Get in touch

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