

Scaling up energy access using result based finance

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Introduction

EEP is implemented in two phases

- EEP grants support to renewable energy and energy efficiency projects
- Phase I:
 - 2010 – 2013
 - Managed by DBSA
 - € 25 M
- Phase II:
 - 2013 – 2017
 - Managed by KPMG Finland
 - € 35 M



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Introduction

13 countries in Southern and East Africa

Botswana

Burundi

Kenya

Lesotho

Mozambique

Namibia

Rwanda

Seychelles

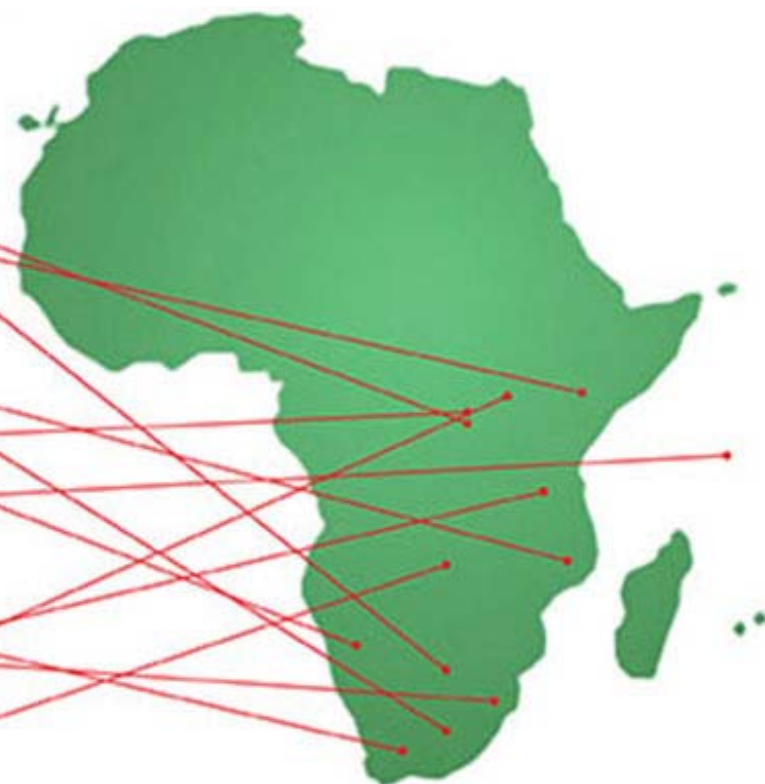
South Africa

Swaziland

Tanzania

Uganda

Zambia



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Challenge fund

Defining a challenge fund

A challenge fund is a financing mechanism to allocate (donor) funds for specific purposes using competition among organizations, mainly small and medium size companies as the lead principle. A challenge fund invites for proposals from companies, organizations and institutions working in a targeted field to submit project proposals. Challenge funds are always set up to meet specific objectives – such as extending financial services to poor people or finding solutions to a specific health problem in developing countries.

Challenge fund

Defining a challenge fund

Proposals are assessed against transparent and pre-determined criteria. Successful applicants must usually match a certain percentage of the grant with own financing. The challenge fund awards grants to those projects that best meet the objectives of the fund and fulfill various pre-established eligibility criteria.

Two funding windows

Two funding windows

EEP allocates funding through competitive windows.

Window 1: inclusive innovation

For projects at an early stage of implementation, including feasibility studies, demonstrations and small pilot projects

Grant between € 100,000 and € 300,000

Own contribution: 30 %

Window 2: market creation

For projects that are near-commercial private sector projects

Grant between € 200,000 and € 1,000,000

Own contribution: 30 – 90%

Output indicators

- Amount of private sector investment the project/business anticipates to mobilize at the end of the project duration (€)
- Annual cumulative tCO_{2eq} emission reductions achieved
- Number of households (or institutions / communes / etc.) that will access renewable energy and/or energy efficiency products or services as a direct result of this project
- Number of direct jobs created

Output indicators

- Newly installed electricity generation (MW) e.g. from renewable energy system(s) installed and/or products sold
- Amount of energy generated (MWh) e.g. from renewable energy systems installed and/or products sold
- Absolute amount of energy saved (MWh/year) through installation of energy efficient technologies / projects.
- Total potential installed and generation capacity (MW and MWh) (only applicable to feasibility studies)

Application process

Step 1 –
Call for
proposals



Step 2 –
Concept
Note



Step 3 –
Full
Proposal



Step 4 –
Contracting



Step 5–
Implementation
and performance
monitoring

Evaluation process

Screening criteria

Screening criteria	Max points (total=100)
Project or business idea (e.g. level of maturity/implementation readiness, viability, business case, innovativeness)	20
Capability of the applicant(s)	20
Development impacts (e.g. number of household benefitting, jobs created) and climate change mitigation (i.e. CO ₂ emission reductions)	20
Scale-up/replication potential and/or potential to mobilize future investment	20
Financial leverage (co-financing share)	20

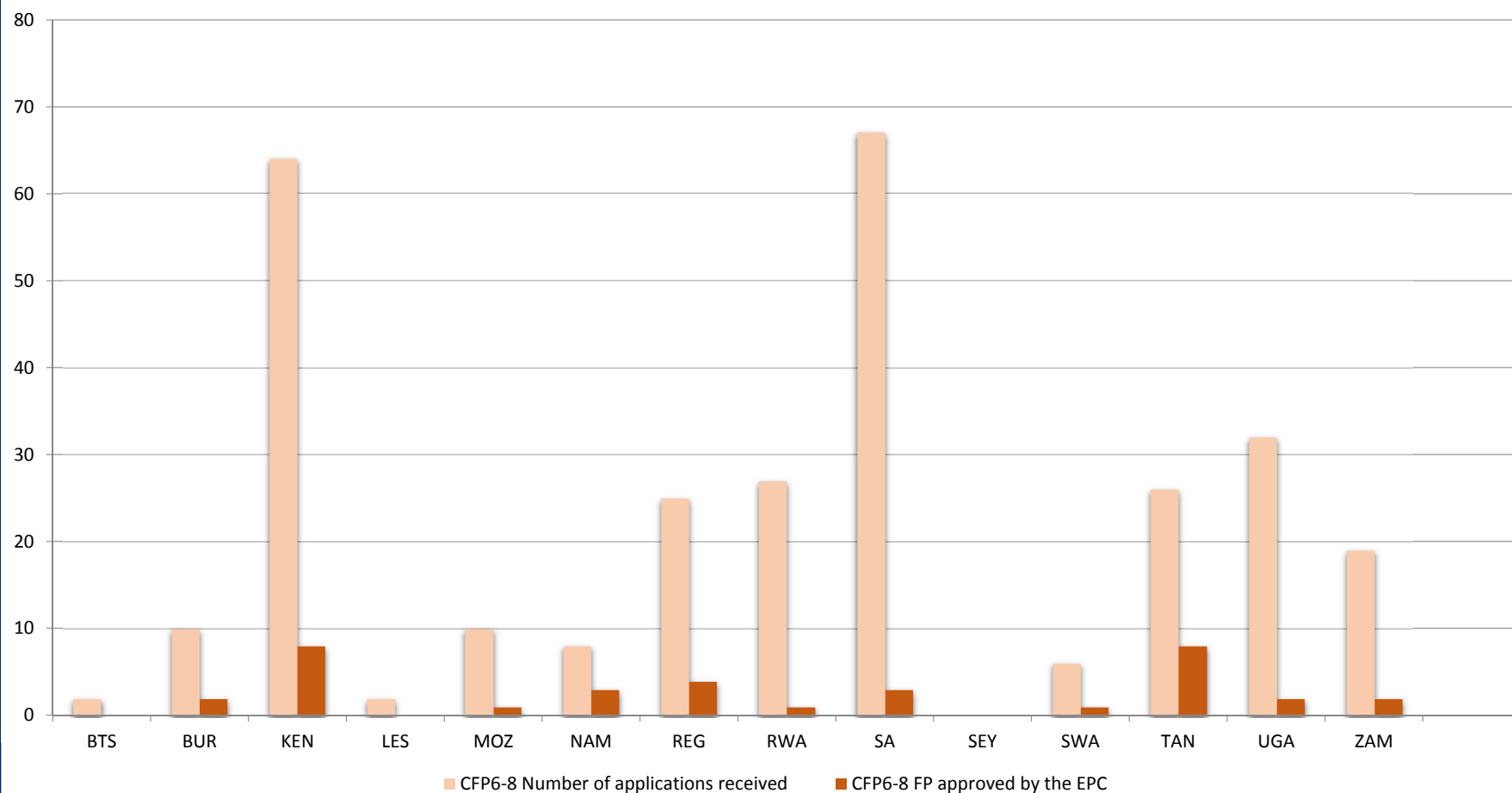


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Applications

Applications received versus approved



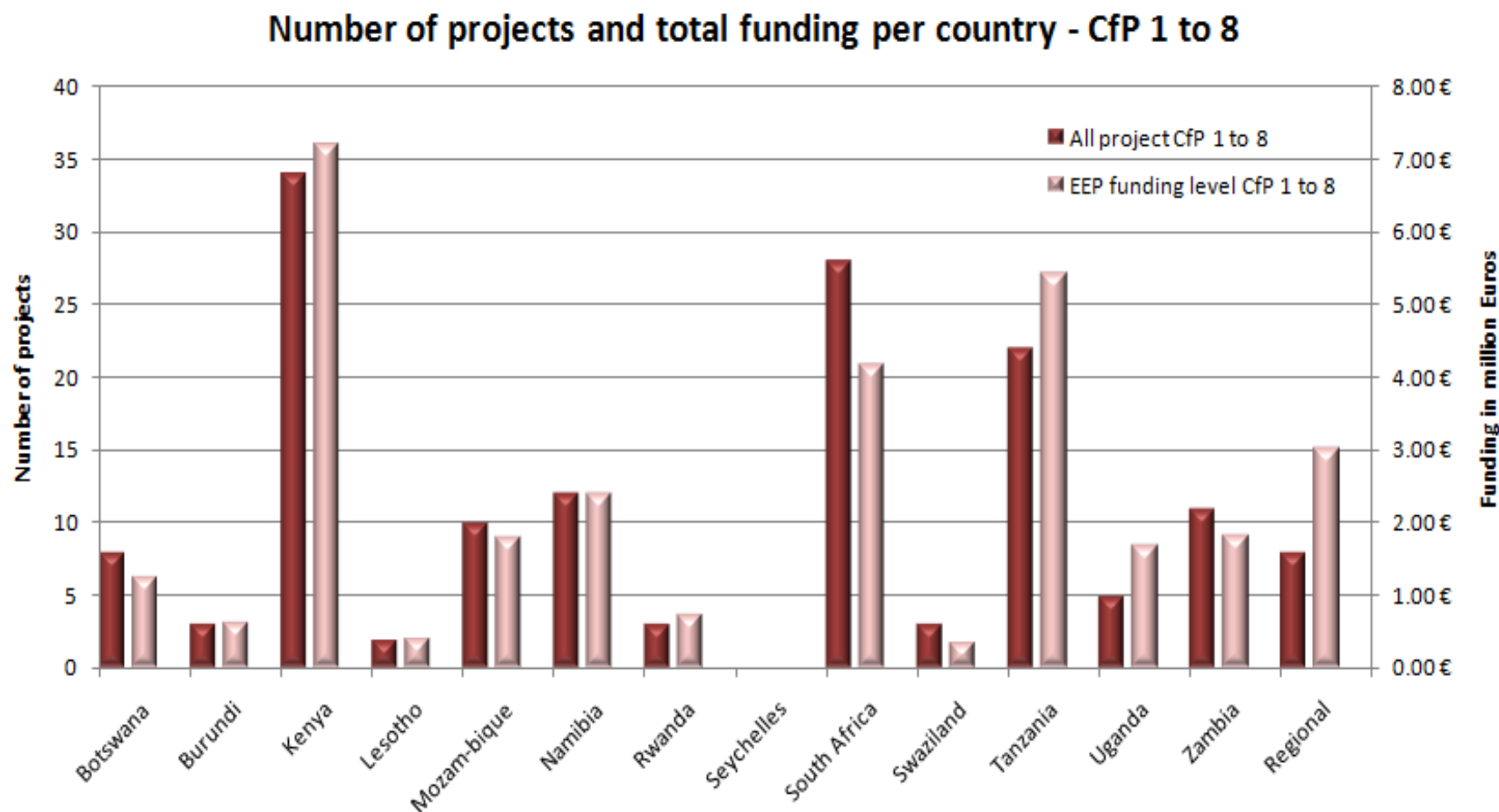


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Portfolio

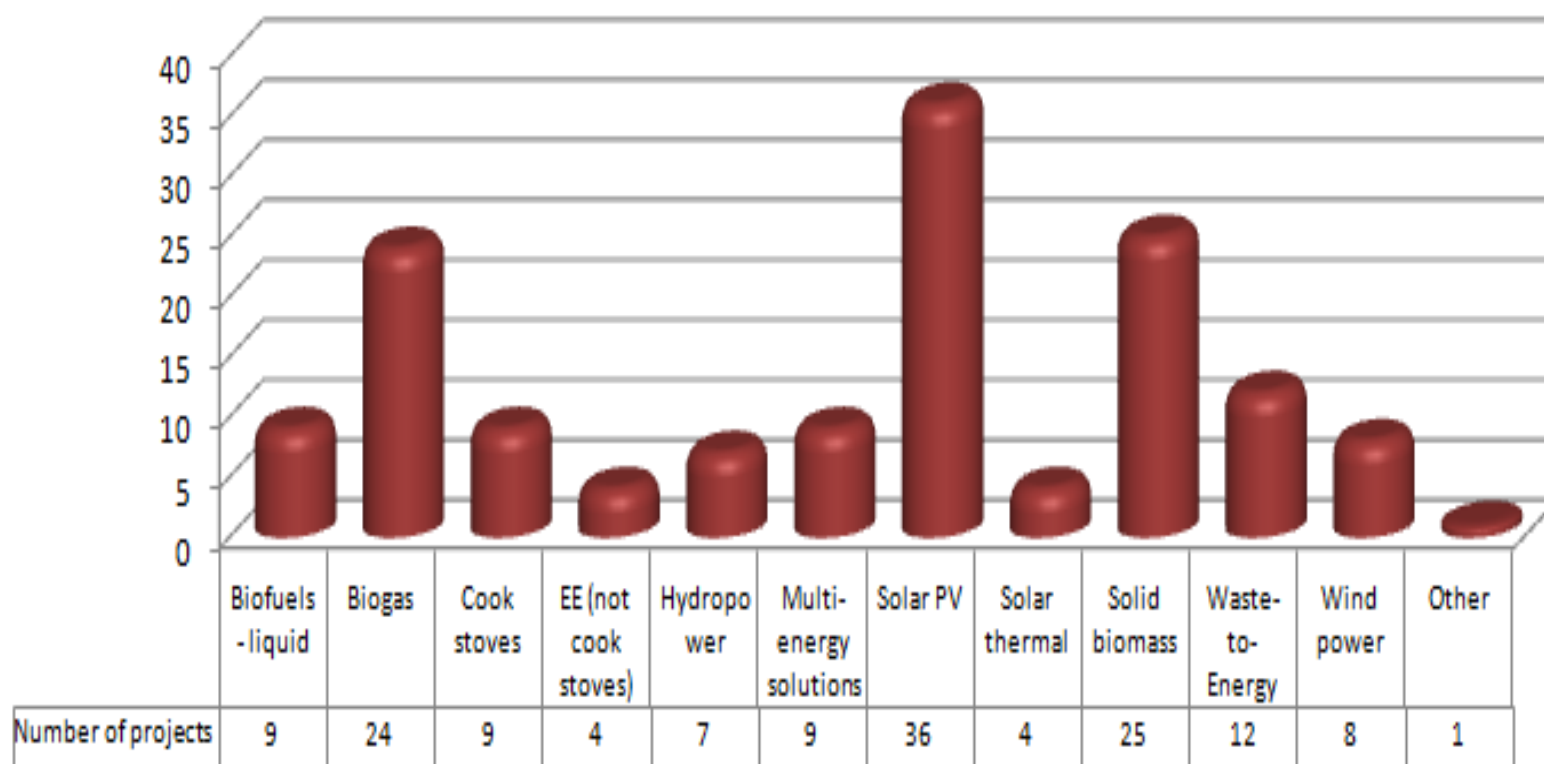
Number of projects and total funding per country



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Portfolio

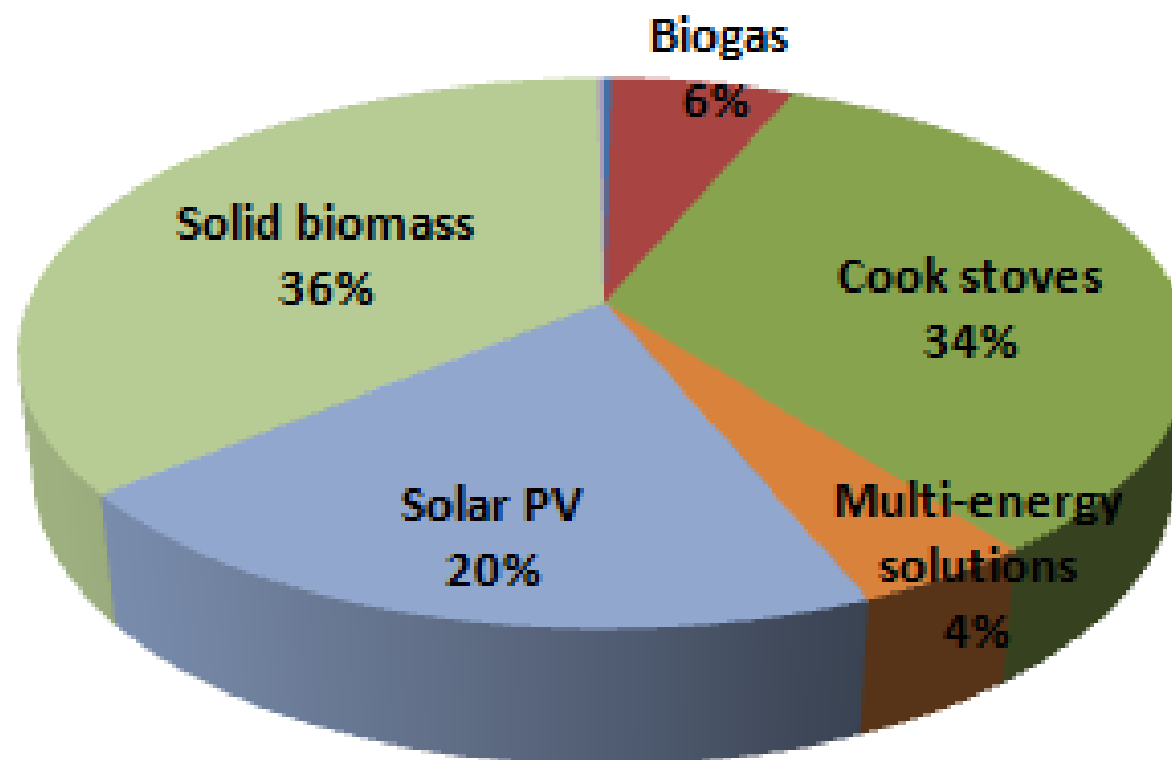
Breakdown of project portfolio CfP1 to 8 over different categories



Energy technology categories

Portfolio

Contribution of main project types to CO₂ abatement



CO₂ emission reduction achieved

Contract

- Concrete milestones to be agreed upon with project developer
- Payment upon achieving the milestone
- Re-imbursment of costs

Conclusion

- Very strict assessment and evaluation of proposals
- Agreed milestones for re-imburement
- Active monitoring of progress
- Identification of "problem projects"

Thank you!

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