

Scaling up energy access using result based finance

Wim Jonker Klunne
EEP Programme Director



EEP

ENERGY AND ENVIRONMENT
PARTNERSHIP / SOUTHERN AND EAST AFRICA



KPMG
cutting through complexity

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



EEP

ENERGY AND ENVIRONMENT
PARTNERSHIP / SOUTHERN AND EAST AFRICA

Introduction

13 countries in Southern and East Africa

Botswana

Burundi

Kenya

Lesotho

Mozambique

Namibia

Rwanda

Seychelles

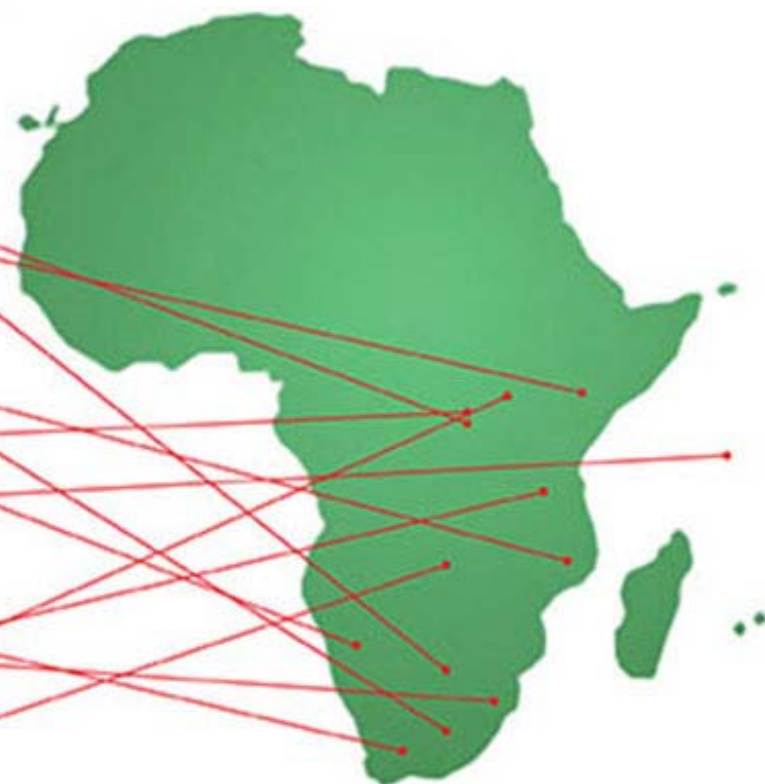
South Africa

Swaziland

Tanzania

Uganda

Zambia



KPMG

cutting through complexity

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

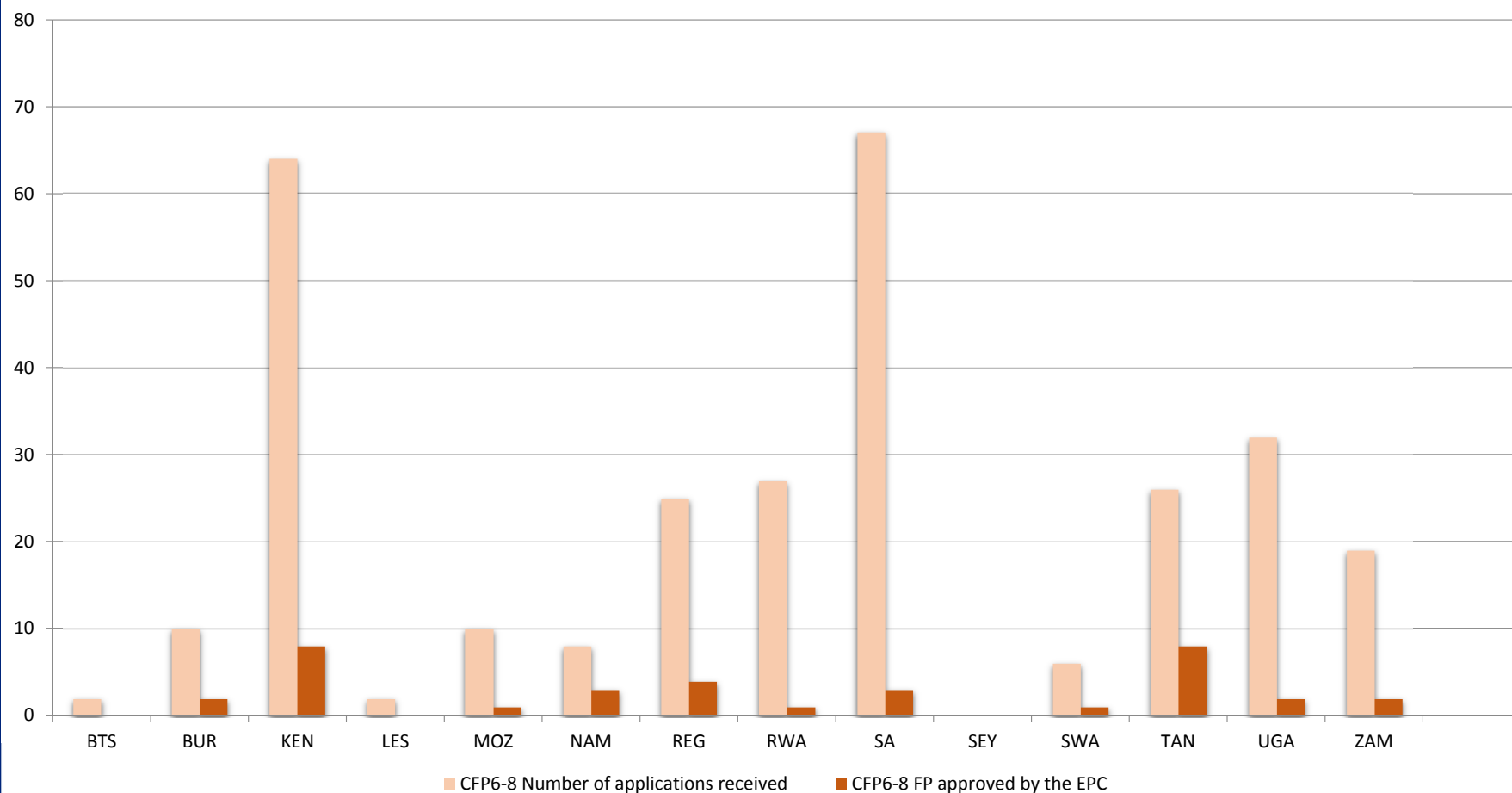


EEP

ENERGY AND ENVIRONMENT
PARTNERSHIP / SOUTHERN AND EAST AFRICA

Applications

Applications received versus approved



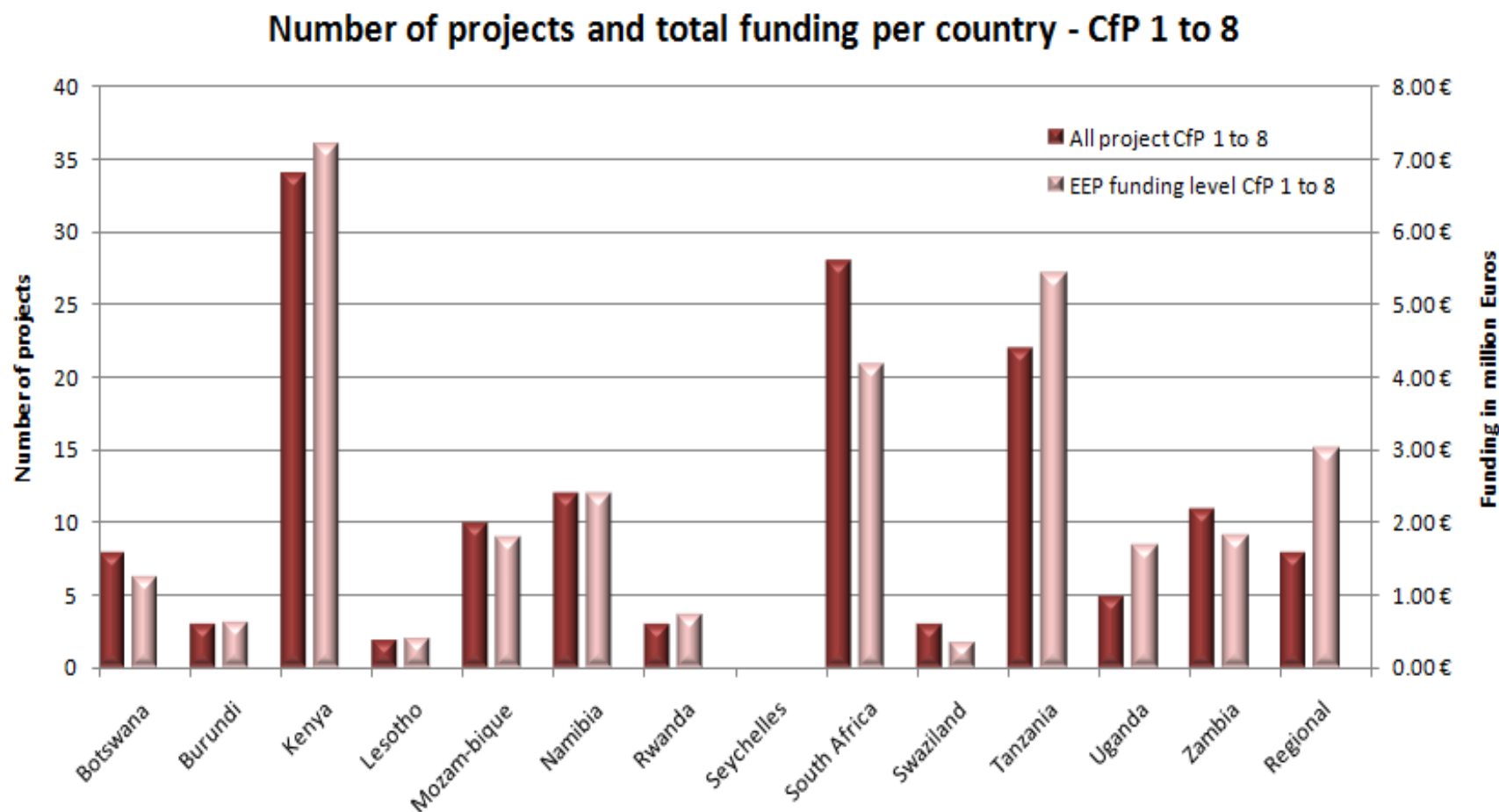


EEP

ENERGY AND ENVIRONMENT
PARTNERSHIP / SOUTHERN AND EAST AFRICA

Portfolio

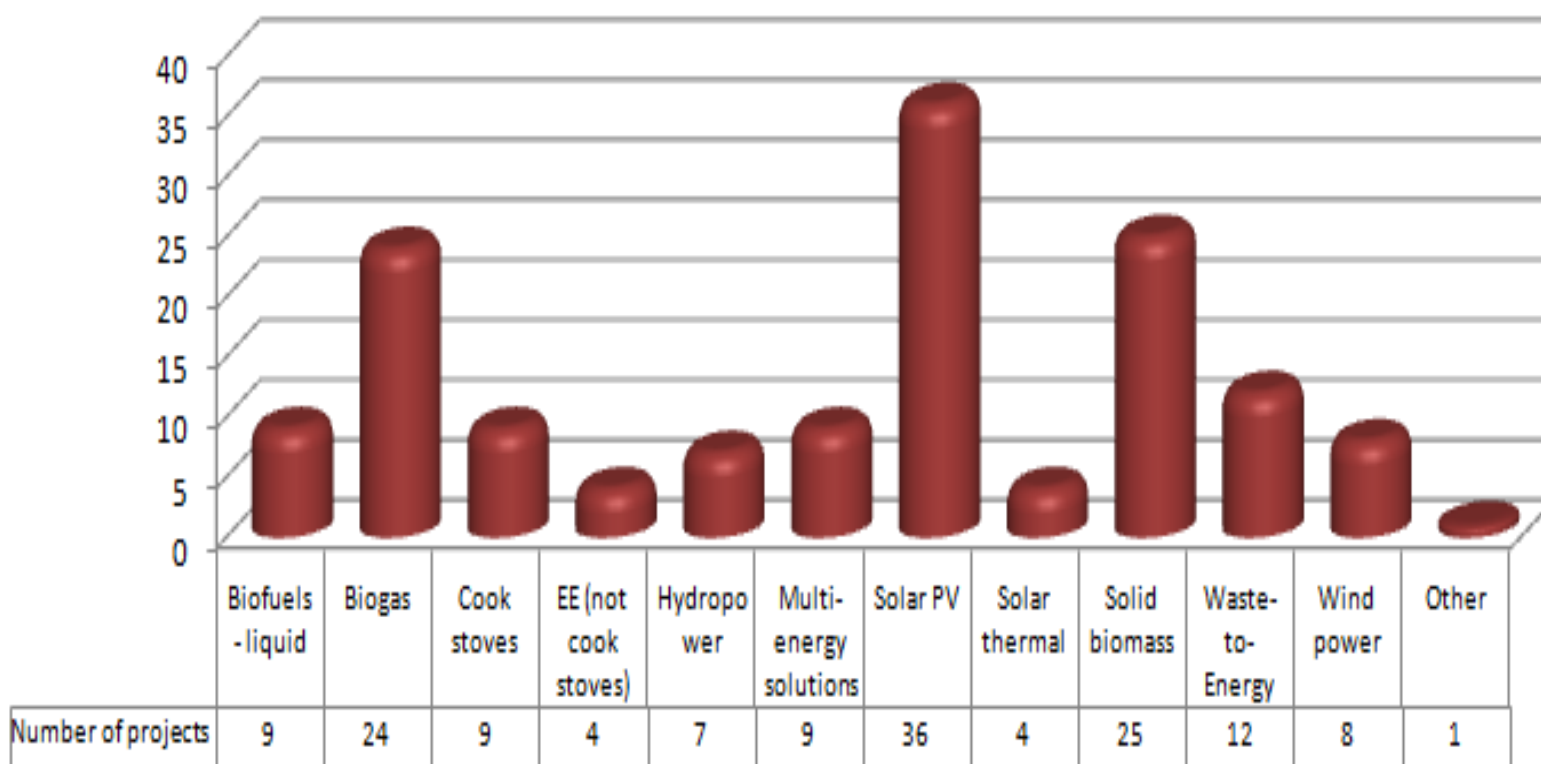
Number of projects and total funding per country



cutting through complexity

Portfolio

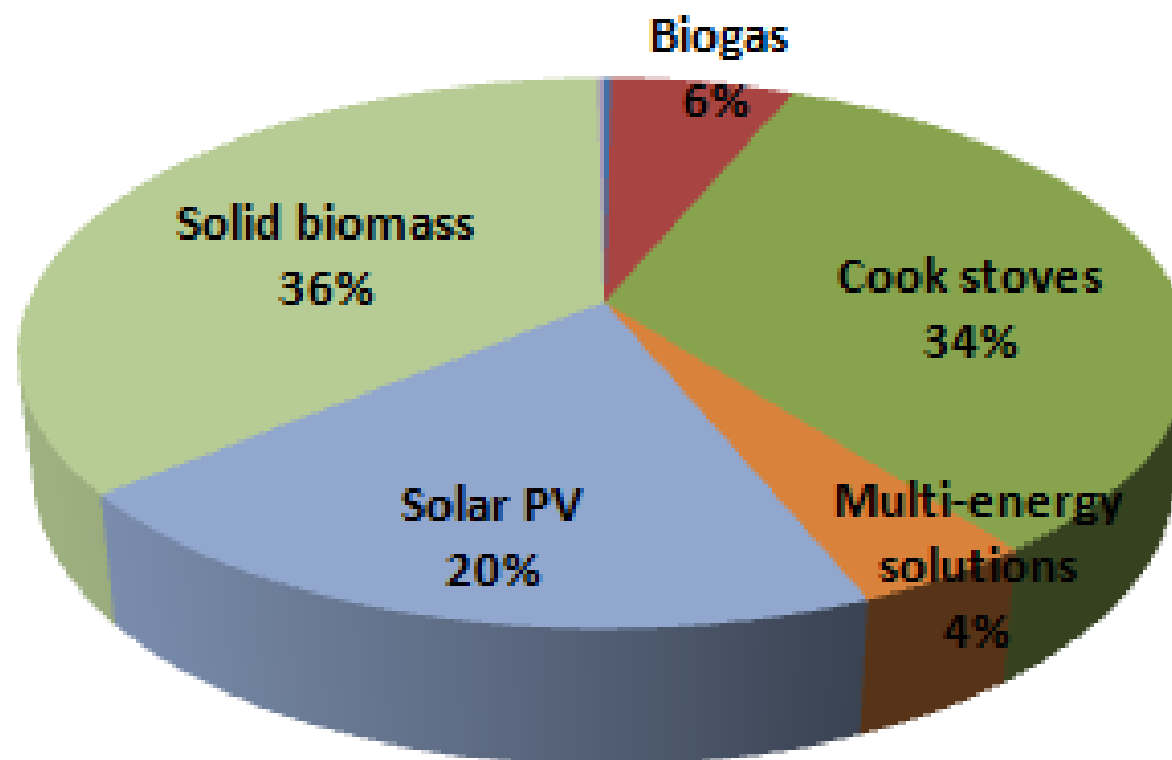
Breakdown of project portfolio CfP1 to 8 over different categories



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!

More Information:

Wim Jonker Klunne
Wim.JonkerKlunne@EEPAfrica.org

www.eepafrica.org



EEP

ENERGY AND ENVIRONMENT
PARTNERSHIP / SOUTHERN AND EAST AFRICA



KPMG
cutting through complexity