22 JULY 2020
Roundtable on GET.invest support instruments for the DRE sector

14.00 – 15.30 CEST
Session I

COVID-19 stories- Impact on the DRE sector and existing needs of companies

Camille Andre-Bataille
CEO
ANKA Madagascar

Grace Perkins
Business Development Manager
Renewvia Energy

Stefaan Debref
Managing Director
Flex Grid Mali
6% electricity access rate in rural areas
18 mio people without access to electricity
High solar potential / high hydro potential (7.8GW)
High economic potential (natural resources, agriculture, eco tourism, industry, etc.)
Favourable regulatory framework
Coalition of private, public and institutional actors
Local Agency for rural electrification development
Local expertise (academic, training, etc.)

**ANKA Madagascar**

- **Leader** in rural electrification by solar energy in Madagascar
- **Operator** since 2014
- **14 solar mini-grids operational** in 2020 → 970kWp PV
- **6 solar mini-grids in the process of being financed** → 1.9MWp PV (2021)
- ~**40 solar mini-grids already licensed but to be financed** → 2.5MWp PV (2021-2023)
- **AgriGrid**: Innovative ag-energy nexus business model for accelerating both investments and local growth
- **4 business units**: rural electrification, engineering and consulting, EPC, energy efficiency audit
- **New small hydro projects** in development
- **African expansion**: positioning in Togo, Guinea Conakry, Zambia, Ethiopia, Mali

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**CHALLENGES**

- >3MWp PV capacity to be financed quickly:
  → only few grant programs available for very limited amounts
  → No national fund operational
  → low attractiveness for private investment
  → Covid risk: declining investor interest in financing innovation and growth
  → Madagascar is often not included in regional funding programmes
  → Low and fluctuating currency
- **ANKA Madagascar is growing and scaling up**:
  → no structuring support for SMEs
  → no corporate investors locally

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**What can GET.invest do for us?**

- **INCREASE THE VISIBILITY OF THE MALAGASY MARKET:**
  → Inform operators on the financing opportunities targeted in Madagascar
  → Inform investors of project opportunities in Madagascar
  → Provide assistance in securing project financing (grant, debt, equity)
- **PREVENT THE COVID FROM ECLIPSING THE PROGRESS OF THE SECTOR:**
  → Encouraging the continuity of financing opportunities despite the Covid
- **SUPPORT THE GROWTH OF COMPANIES IN THE SECTOR:**
  → Technical assistance to help companies structure their growth
  → Connecting companies with investors
FlexGrid installs and operates “flexible” solar mini-grids. We propose a fully decentralised grid architecture that allows for a unique “demand-driven” business model (replacing the more costly and risky “building-ahead-of-forecasted-demand”-approach)

### Covid-19 impact on FlexGrid (assessment July ’20)

<table>
<thead>
<tr>
<th>Topic</th>
<th>Status</th>
<th>Impact</th>
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</thead>
<tbody>
<tr>
<td><strong>Build</strong></td>
<td></td>
<td></td>
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<tr>
<td>Business development</td>
<td>Serious slow down due to travel restrictions (ex. set-up demonstration site in Burkina Faso)</td>
<td>High impact on our preparation for the call for proposals of the Beyond the Grid Fund for Africa</td>
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<tr>
<td>Execution of confirmed projects</td>
<td>Roll-out 20 mini-grids in Mali: - kick-off initially planned for April 2020; - now targeting September 2020</td>
<td>Availability of key (international) resources at risk if we need to further postpone the kick-off (high impact for the concerned resources as they find themselves mostly without income)</td>
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<tr>
<td><strong>Run</strong></td>
<td></td>
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<tr>
<td>Operate /Maintain existing projects</td>
<td>on-site &amp; centralised teams remain operational, but difficulties for centralised resources to go on-site</td>
<td>Low impact as we have an on-site local staff; work fully with cloud-based applications and as national travel restrictions are gradually being lifted</td>
</tr>
<tr>
<td>Revenue from operational sites</td>
<td>We use a fully prepaid model in which credit purchases are done through mobile money transfers (no cash collection)</td>
<td>No measurable impact on revenues from installed customer base so far.</td>
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</table>
Renewvia’s Response to COVID-19 and Ideas for Additional Support

Renewvia’s response
- Develop and implement robust safety measures for workers and communities
- Ensure compliance with COVID regulations in Kenya and Nigeria
- Continue with expansion strategy

Additional support needed
- Advocacy among financiers and donors
  • Accelerate energy access recovery funding
  • Help financiers understand how energy access companies will help rebuild rural communities

Akipelai Mini-Grid, Nigeria
Presentation of GET.invest support instruments

Paul van Aalst
Team Leader GET.invest Finance
Catalyst
GET.invest

Mobilising Investments in Decentralised Renewable Energy
About us

- A European programme to support investments in decentralised renewable energy in the African, Caribbean and Pacific region
- Services include market information, a funding database, matchmaking events and access-to-finance advisory by the GET.invest Finance Catalyst
- Delivering on priority initiatives of the European Union and its member states: supported by the European Union, Germany, Sweden, the Netherlands and Austria.
- Hosted on the European multi-donor platform GET.pro and implemented by GIZ
Our services

Information and Networking

- Information on countries, markets, and financing opportunities
- Networking and matchmaking events
- Partnering with associations

Advisory Support

- Advisory support to projects and companies for accessing financing via the GET.invest Finance Catalyst
- Trainings and capacity development, incl. for regulators and private sector
What does GET.invest cover?

<table>
<thead>
<tr>
<th>On-grid electricity</th>
<th>Off-grid electricity</th>
<th>Non-electricity</th>
<th>Geographic scope</th>
</tr>
</thead>
<tbody>
<tr>
<td>IPP (large)</td>
<td>Mini-Grids</td>
<td>Cooking Energy</td>
<td>– Sub-Saharan Africa</td>
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<td></td>
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<td>– Caribbean</td>
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<td></td>
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<td>– Pacific under preparation</td>
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<tr>
<td>IPP (small)</td>
<td>Solar Home Systems</td>
<td>Energy efficiency /thermal</td>
<td></td>
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<tr>
<td>Commercial &amp; industrial</td>
<td>Solar Lighting / lanterns</td>
<td>Liquid biofuels</td>
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<tr>
<td>Energy</td>
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21/07/2020
GET.invest Covid-19 impact survey

“Any support that can be provided ... to cover this extraordinary period would help us navigate the challenges posed by the delays.”

Survey Respondents

Perceived Disruption

Financing needs

Top 4 Challenges

Top TA Needs

21/07/2020
GET.invest Covid-19 Response

Project and business advisory, adapted to Covid-19: Support with managing the crisis, focusing on financing challenges, incl. a fast-track intake. Currently 20+ clients receiving Covid-19 related support

Business tools available online: Business continuity checklist and cash flow scenario modelling template

Other activities: Mapping of Covid-19 support opportunities with PFAN; several upcoming events, incl. virtual “Energy Access Covid-19 Relief Summit” in cooperation with ARE, GOGLA and others
The GET.invest Finance Catalyst

- The GET.invest Finance Catalyst provides four types of support ("à la carte")

- Applications are received and selected through a transparent "level playing field" intake process, whereby added value of support and the viability are assessed

- Scope of support is defined, agreed by both parties and subsequently provided

- Success = financier has accepted the project for intake; however, in reality, projects require and obtain additional support towards actual financing
Finance Catalyst: Intake overview

- More than 600 applications for the GET.invest Finance Catalyst since August 2016
- More than 150 applicants supported since, of which more than 34 linked with financing
- Currently supporting 92 projects
- 34 have been successfully linked to financiers
- Over 8 have reached financial close
Covid-19: Adjusting the GET.invest Finance Catalyst

<table>
<thead>
<tr>
<th>INVESTMENT STRATEGY</th>
<th>STRUCTURING SUPPORT</th>
<th>ACCESS TO FINANCE SUPPORT</th>
<th>TRANSACTION SUPPORT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Birds’-eye view advice on how to deal with the crisis</td>
<td>How to structure / restructure a project or company: business model, management, and financial models</td>
<td>Identifying appropriate and available financing sources and their modalities</td>
<td>Supporting negotiations with key stakeholders, including financers or public agencies</td>
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Examples include:

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<tr>
<th>Strategic advice on financial sustainability</th>
<th>In-company Covid-19 response project management, in particular staff retention, furlough or layoff</th>
<th>Information + introduction to available relief / emergency funds and their modalities</th>
<th>Assistance in managing debt service relief approach, loan restructuring and negotiation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due diligence on financial and operational situation</td>
<td>Financial (re)modelling support to inform adjustments to the Covid-19 situation</td>
<td>Advice on which type of emergency / relief funding is most appropriate and desirable</td>
<td>Identifying areas for further legal evaluation</td>
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</table>
How to apply

Applications for support can be submitted at:

www.get-invest.eu

- All information is treated confidentially
- Covid-19 support: Fast-track evaluation within one week
Thank you for your attention!

PAUL VAN AALST
GET.invest Finance Catalyst team leader

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GET.invest is supported by
Questions & Answers

Paul van Aalst
Team Leader
GET.invest Finance Catalyst
Session II

GET.invest support instruments in practice lessons learnt from the field

Steve Wasira
Vice-President – Business Development
Virunga Power

Casper Sikkema
Head of international finance
Rem Capital

Laura Sundblad
Corporate Development Director
Pawame
Company introduction

- Virunga Power is a rural utility company focused on creating a new model for the generation and distribution of power in sub-Saharan Africa. Virunga Power develops, owns, and operates grid-connected and isolated grid renewable energy projects across East and Southern Africa.
- Our project pipeline represents over 15 projects in development and operation and over 100 MW of primarily small hydro and solar PV in Kenya, Tanzania, Burundi, and Zambia, and we are actively seeking new markets and partnerships for expansion.

Previous support from GET.invest support instruments

- TA support that has facilitated successful partnership between Virunga and Songa Energy in Burundi
  - GET.invest provided early stage technical assistance to Songa Energy (Virunga Power partner in Burundi)
  - GET.invest Virunga with an independent legal review legal docs (in french) that ultimately led to the partnership

Proposed areas enhancement/expansion of support from GET.invest

- Access to finance support – Given that GET.invest has a wide network, extensive experience and constant feedback they receive from funders, they can provide developers with market intelligence that will help developers save time and money. They can hone in on what source of funding options developers should focus on. GET.invest advisors get constant feedback therefore this support can be tailored in such a way developers can save valuable time in their fundraising efforts.
- Transaction support - Fully utilize GET.invest network through existing ties with development partners and host government that will accelerate advanced stage transactions. As an honest broker, GET.invest can work more closely with development partners and those working in various countries to negotiate with the key stakeholders to resolve issues that are barriers to closing transactions.
Lessons learnt from the field

Main takeaways

- Prepare for the worst but hope for the best
- Transparency to employees about the possible impact – frequent updates
- Transparency to all other stakeholders via frequent updates: on cash position, project delays, budget impact
- Organize yourself as a sector, this is the time to show that you are professional
- Free up resources to focus on “cash now” projects/revenues
- Define clear principles for your team on what are necessary costs and what not
- Remain positive and proactive – nobody is waiting for negativity and cynics in these times
Pawame was founded in Kenya in 2016. We distribute and finance solar home systems, using our direct sales agent network to reach rural and peri-urban families.

Our purpose is to provide affordable, modern energy access as a foundation for financial empowerment and a gateway to limitless opportunity.

The GET.Invest Finance Catalyst program is supporting us to build a best-in-class financial model and strengthen relationships with European DFIs;

This will help us obtain the financing needed to sustainably reach 300,000 households in the next 5 years.
Questions & Answers

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Thank you for participating!