

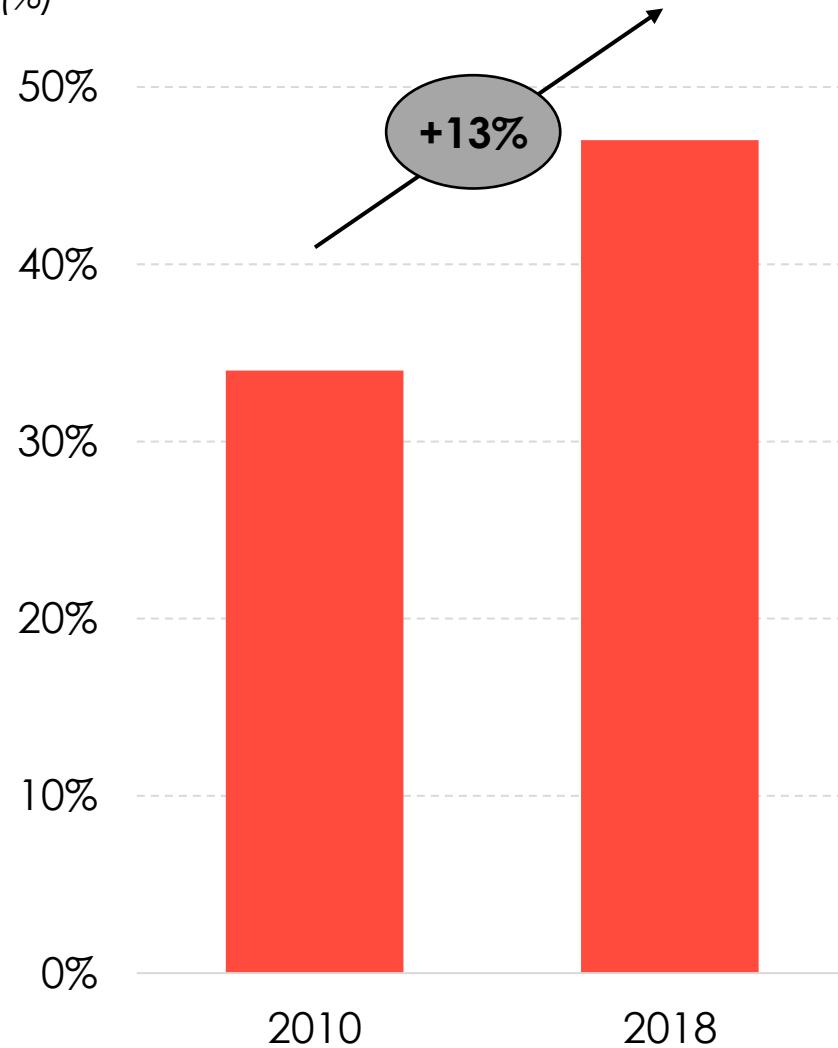
COVID-19 ENERGY ACCESS RELIEF FUND

July
2020

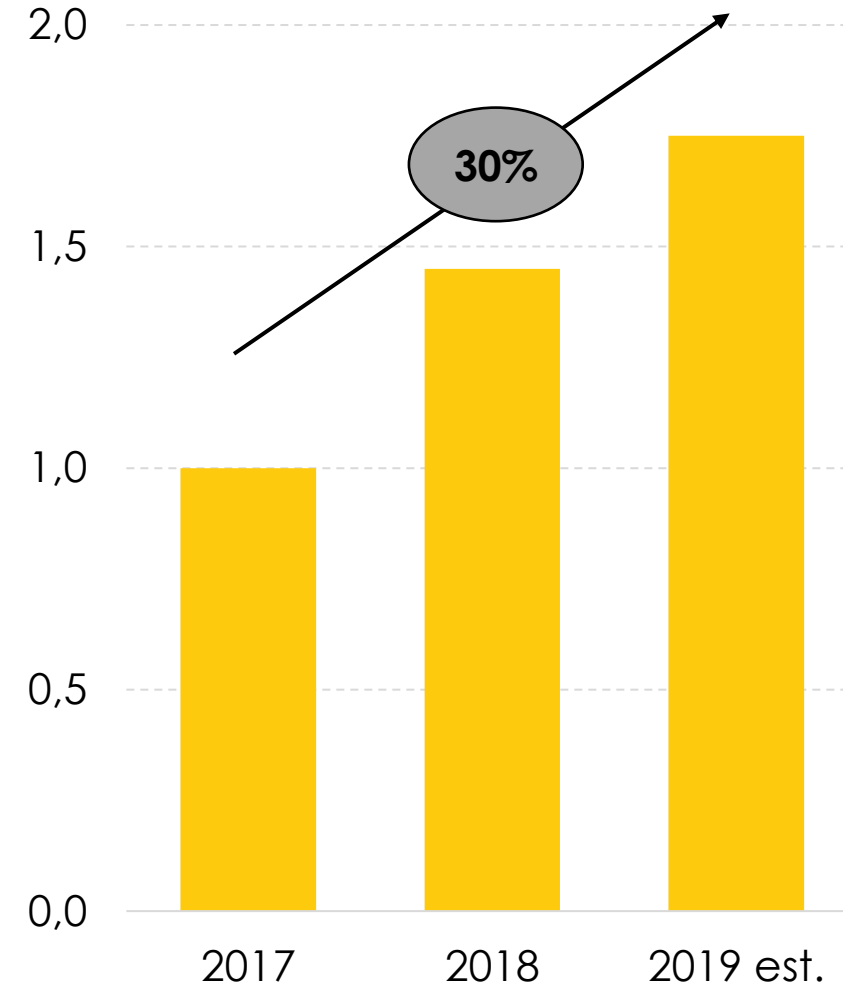


Off-Grid solutions are driving energy access...

EA in Sub-Saharan Africa
(%)



EA Market Turnover
(USD bn)



Sources: IEA, GOGLA

...and having profound household impacts

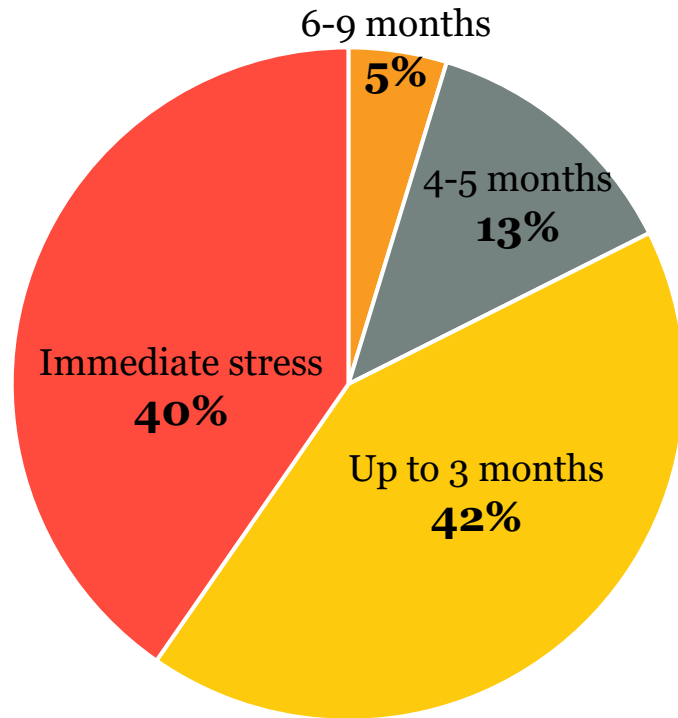


- + **28% of HH** in East Africa report increased economic activity thanks to their SHS generating **\$46/month**
- + Over **86% perceive improved health** in Africa
- + More than 85% report **more study time for children**
- + Greater than 94% feel a **greater quality of life** across regions
- + Less use of kerosene and diesel **reducing GHG emissions**

But COVID-19 could roll back progress to date

Company lens:

Cash runway under COVID-19

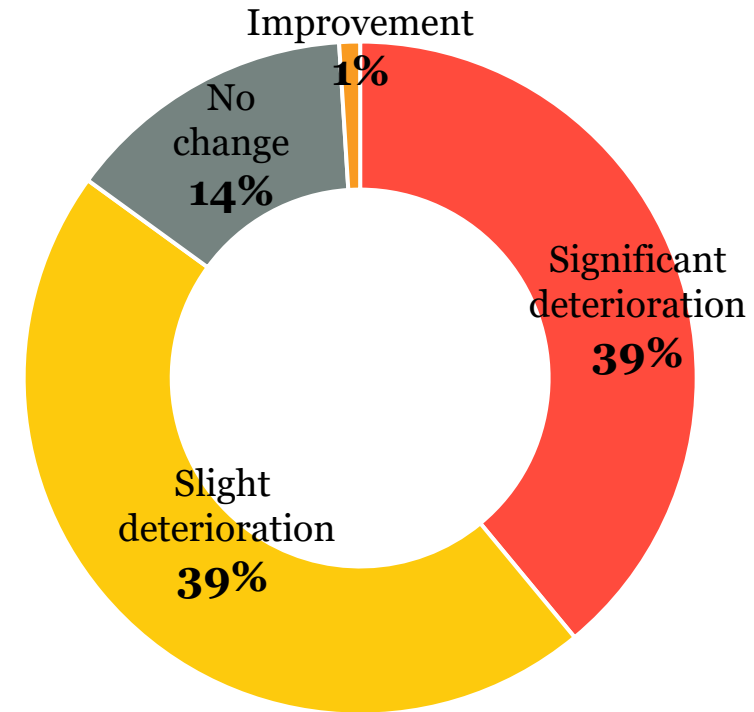


Transmission mechanisms:

- + Sales
- + Access to capital
- + Portfolio quality
- + Macro

Customer lens:

COVID-19 impact on family finances



Coping mechanisms:

- + Use of savings (59%)
- + Borrowing (26%)

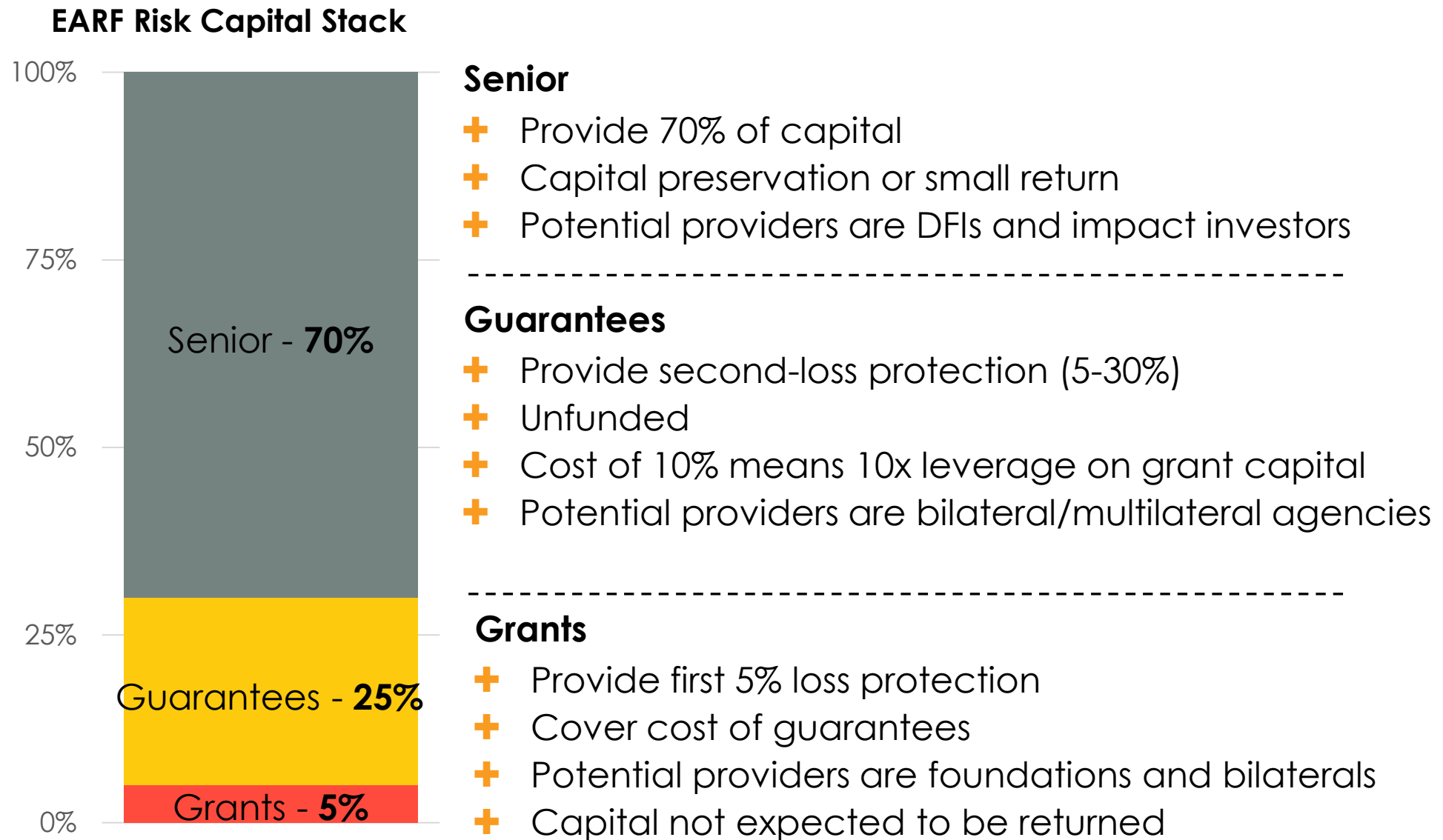
EARF can help safeguard a vital industry

USD 100m liquidity fund for companies coping with COVID



- + Junior, unsecured, hard / local currency loans to cover local opex
- + [2-3]% concessional interest rate
- + Up to 3 years tenor
- + \$200k - \$3m loan sizes
- + Eligibility criteria
- + Key covenants and repayment triggers
- + Impact:
 - 50-75 companies
 - 200m customers
 - 20k jobs preserved

Blended finance for leverage / risk mitigation



Key lessons so far

- + **Managing competing objectives:** Grant providers seek leverage, mobilization and inclusivity while senior investors focus on risk mitigation.
- + **Supply-demand mismatch:** COVID-19 is creating increased demand for grant capital as aid budgets are likely to shrink. However, both grants and concessional loans are needed.
- + **Missing middle:** Dearth of investors that don't provide grants but can accept capital preservation (0% return).
- + **Breaking institutional rules:** Need to find ways to move faster through approval processes to respond to crises. Putting impact at the front of impact investing.
- + **Beyond capital:** Providing TA support, especially strategic finance, for capacity building is critical, especially for smaller companies.



THANK YOU

Leslie Labruto llabruto@acumen.org

Sarah Bieber sbieber@acumen.org

Geoff Manley gmanley@cdccgroup.com

TO LEARN MORE:

energyaccessrelief.org