

# Beyond the Grid Fund for Africa

2 October 2019, Private Sector Round Table, Maputo

---

# CONTENTS

## **BGFA**

- ▶ Top-level overview, expected outcomes
- ▶ Roles & Responsibilities
- ▶ Additionality
- ▶ Market Scoping
- ▶ Top Level Timeline for Mozambique

## **Stakeholder Workshop**

- ▶ Objectives and agenda
- ▶ Further stakeholder engagement

---

# BGFA | TOP LEVEL OVERVIEW

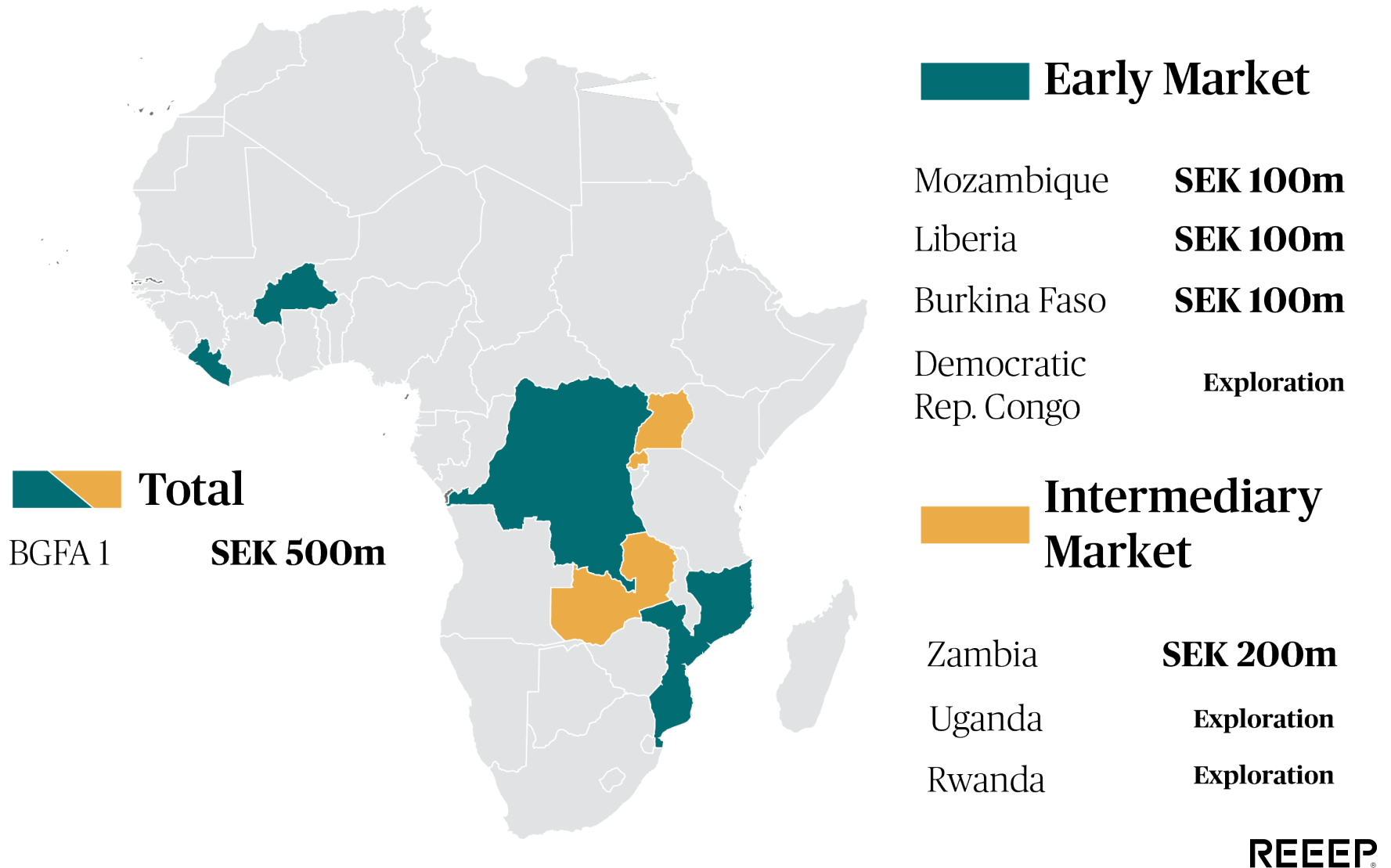
- ▶ EUR 50 million Energy Access Programme vested by the Government of Sweden, managed by NEFCO and implemented by REEEP; Duration 2019 - 2024
- ▶ Targets the provision of sustainable clean energy services for underserved people in rural & peri-urban areas of **Burkina Faso, Liberia, Mozambique & Zambia**
- ▶ Expansion of a successful model in Zambia – first financing round; Beyond the Grid Fund for Zambia (<https://www.bgfz.org/>)
- ▶ **Market Creation** - injects public sector funding to overcome early structural challenges in the market, incentivize early-stage start-up and medium-term scale-up needs of Energy Service Providers and create conditions for long term sustainability & commercial investment

---

## BGFA | TOP LEVEL OVERVIEW (CONT.)

- ▶ Open for expansion to other countries; dialog with interested countries already on-going
- ▶ Open to likeminded donors; dialog with German Development Bank KfW and other interested donors already ongoing
- ▶ **Procurement Approach** - funding deployed as grants (“free-equity”) in multi-year projects; subject to a rigorous RBF M&E approach
- ▶ Businesses will be expected to provide / demonstrate significant leverage
  - Equity & own funds (contributions in kind)
  - Co-funding (commercial and DFI sources)

# BGFA | OVERVIEW







## NORDIC ENVIRONMENT FINANCE CORPORATION (NEFCO)

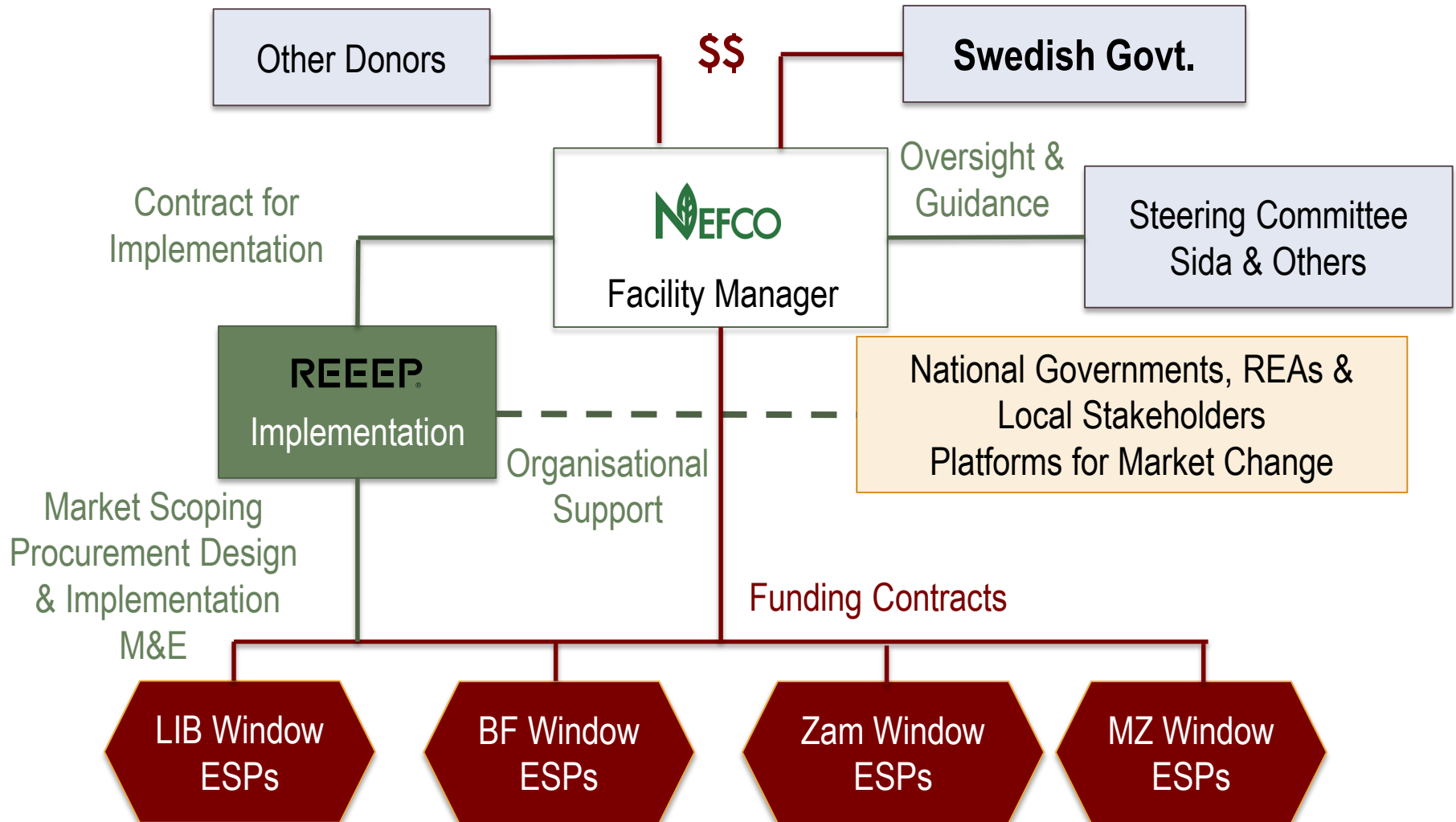
- International financial institution established by the Nordic countries in 1990
- Financing environmental and green growth projects
- NEFCO is the Facility Manager of BGFA

---

# RENEWABLE ENERGY & ENERGY EFFICIENCY PARTNERSHIP - REEEP

- ▶ International Multilateral Partnership
- ▶ Mandate: accelerate market readiness for renewable energy and energy efficient solutions in low income and emerging countries
- ▶ REEEP is the Implementing Manager of BGFA

# BGFA | INDICATIVE ORGANISATIONAL OVERVIEW



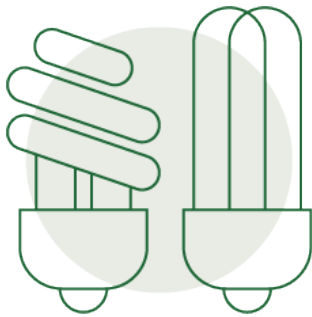


---

# BGFA | RELATIONSHIP WITH GOVERNMENT

- ▶ BGFA is a funding approach designed to support and promote private sector. Funding flows to selected / awarded companies
- ▶ Close engagement with FUNAE, MIREME, ARENE, EDM and other key actors is sought to ensure alignment with policy and support for government objectives
- ▶ Opportunities for cooperation
  - ▶ Input to market scoping and design of programme / procurement instruments
  - ▶ Cooperation in verification of connections and achieved level of energy access
  - ▶ Targeted capacity building

# BGFA | THREE PILLARS



## **INCENTIVES AND PROCUREMENT**

New affordable, sustainable,  
high-quality modern energy  
services



## **PLATFORM FOR MARKET CHANGE**

*Off-Grid Energy Taskforce*: PP  
engagement for exploring  
market barriers and issues






## **MARKET INFORMATION AND ANALYTICS**

EDISON and MEL provide  
real-time evidence and market  
data

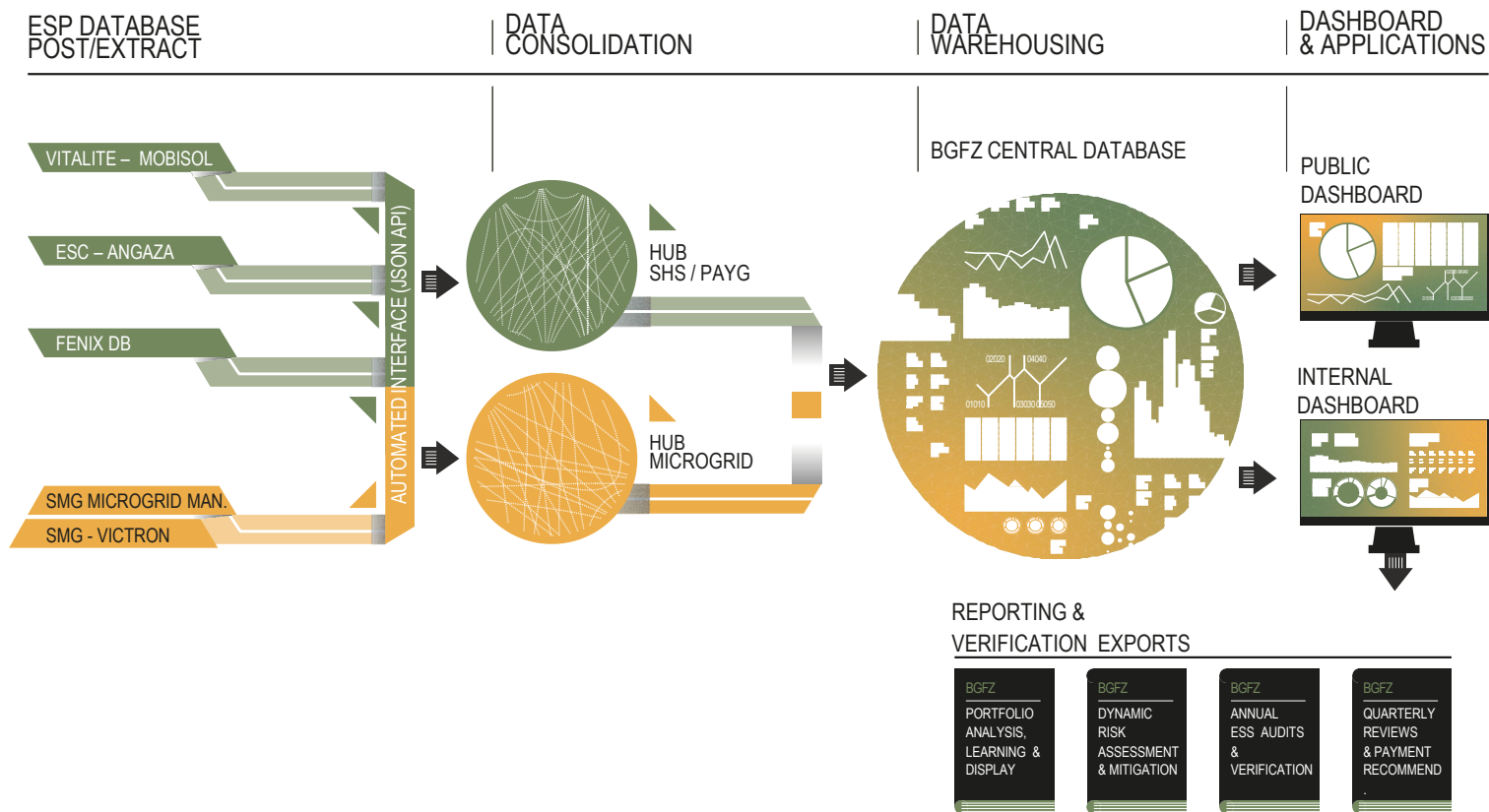
# BGFA | PROCUREMENT TOOLS

## BEYOND THE GRID ENERGY SERVICE SUBSCRIPTION (ESS) MULTI-TIER MATRIX

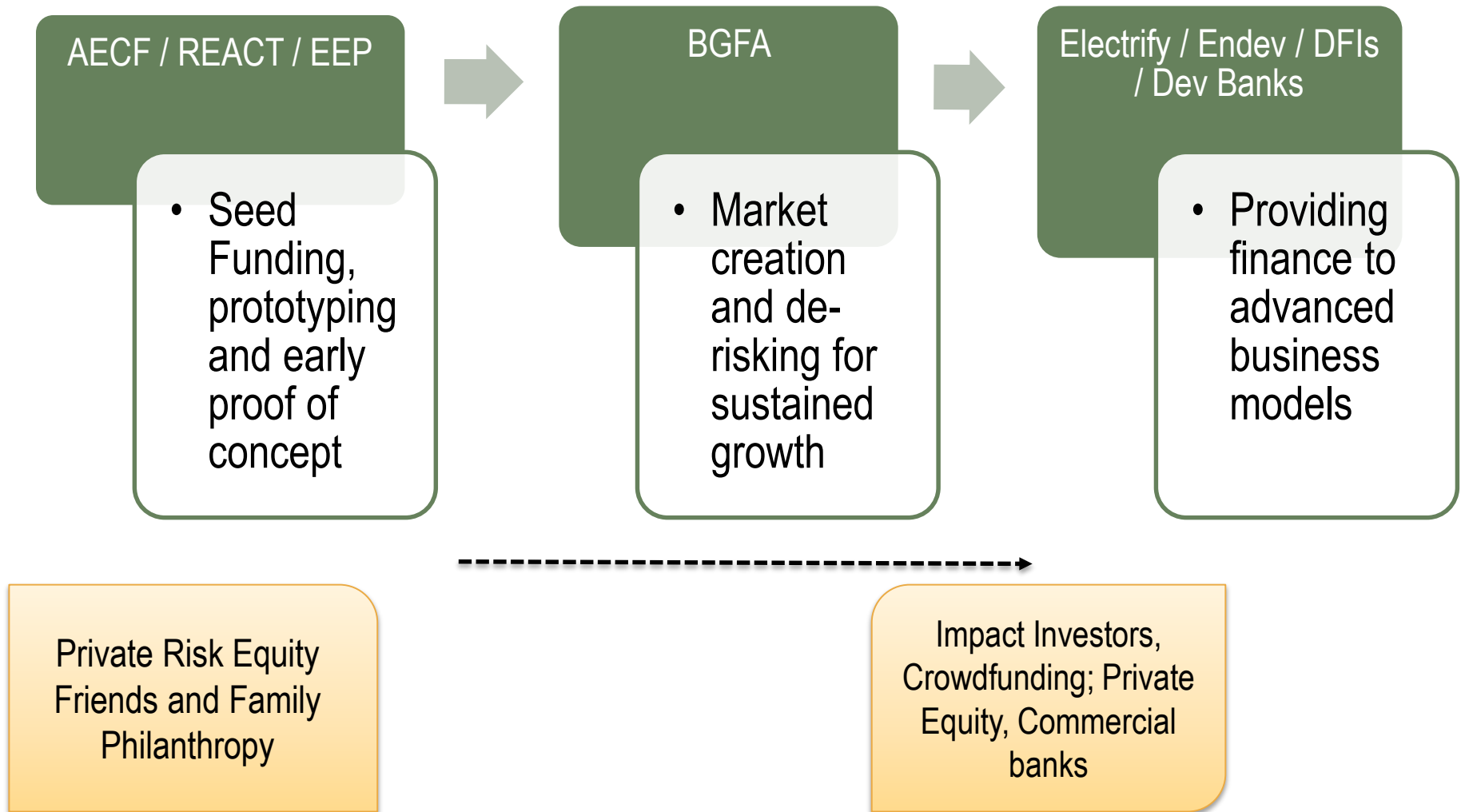
		TIER 1	TIER 2	TIER 3	TIER 4	TIER 5	TIER 6
	HOUSEHOLD	H1	H2	H3			
	INSTITUTIONAL	I1	I2	I3			
	PRODUCTIVE	P1	P2	P3	P4	P5	P6

EXAMPLE HOUSEHOLD		Watts per ESS	Availability (hrs/day or Wh/day)	Lighting	Appliances	Weighting
	H1	Min. 5 watts	Min. 20 Wh/day +5/24h	2 lights	1 phone charge point	0.5
	H2	Min. 20 watts	Min. 80 Wh/day +5/24h	3 lights	2 appliances	1
	H3	Min. 50 watts	Min. 190 Wh/day +6/24h	5 lights (or mix of lights and phone charge points)	3 appliances	2

# BGFA | EDISON DATA TOOL



# BGFA | ADDITIONALITY



---

## BGFA | IN MOZAMBIQUE

- ▶ Total country budget SEK 100 million / USD 10 million
- ▶ Around USD 7 million available as direct funding to energy service providers
- ▶ Market Scoping supported by local consultant (GreenLight Lda) in Maputo
- ▶ Cooperation & Programme Coordination with BRILHO; EnDev, Faser, EU and World Bank
- ▶ Dedicated BGFA Country Manager in 2020

---

## **BGFA | MARKET SCOPING**

The following market sectors and aspects are addressed:

- ▶ Solar home systems (SHS / household solar)
- ▶ Mini-grids
- ▶ Bio-energy and improved cooking
- ▶ Remote areas and affordability
- ▶ Productive assets
- ▶ Energy efficiency (EE)
- ▶ Gender



---

## **BGFA | TOP LEVEL TIMELINE**

- ▶ Q3 2019 – Q1/Q2 2020 - Market Scoping
- ▶ Sept / Oct 2019 - Stakeholder Workshop
- ▶ Q1/Q2 2020 – Finalisation of recommendations to BGFA Steering Committee for country funding windows & approaches
- ▶ Q2 2020 - Detailed Programme & Procurement Design
- ▶ Q3 2020 - Launch of Call for Proposals
- ▶ Q1 2021 – First disbursements

---

# BGFA | GLOBAL OUTCOMES

- ▶ Reaching 5 – 10 million people in rural and peri-urban areas in the target countries
- ▶ USD 50 – 100 million of public finance invested
- ▶ USD 150 – 600 million of Private Finance leveraged
- ▶ >15 concessional or private investors supporting energy access
- ▶ Platforms for Market Change in 3 - 5 countries are self-sustaining, run by local actors and interacting with each other;
- ▶ Policy situation in the target countries more conducive for off-grid electrification
- ▶ Robust and effective data collection and analysis mechanisms and systems mainstreamed in target countries to inform better public and private investment in frontier markets

---

## BGFA | STAKEHOLDER WORKSHOP

**Objective:** To bring together stakeholders from the private sector, the Government of Mozambique, and other partners to

- ▶ discuss the scope, opportunities and challenges of a second funding round in Zambia under the new BGFA framework
- ▶ inform the design of a second funding round
- ▶ ensure transparency, fairness to all and a wide participation

---

## BGFA | PRIVATE SECTOR ROUND TABLE

Exploring the state of the market on solar homes systems, mini-grids and improved cookstoves / clean fuels

- ▶ Opportunities and barriers to growth
- ▶ Specific financing needs

Discussion group approach, based on good experience from 2016 in preparation of the first funding round in Zambia

---

## **BGFA | FURTHER PRIVATE SECTOR ENGAGEMENT**

- ▶ REEEP will be available for separate meetings with any private sector stakeholders who would like the opportunity of a one-on-one meeting.
- ▶ Appointments can be made for meetings on Wed 2 October (14:00 – 16:00), Radisson Blu Hotel and Thu 3 October (10:00 – 15:00) GreenLight Lda. office.
- ▶ For interested parties not in Lusaka or not available on 2 and 3 October, we will make available a limited number of slots for Skype meetings in the weeks following the workshops.

---

## **BGFA | FURTHER STAKEHOLDER ENGAGEMENT (CONT.)**

- ▶ For reasons of due process and transparency, at this stage no further information can be provided on the procurement, including in one-on-one meetings.
- ▶ All interested parties will be offered equal access to the REEEP team (i.e. one meeting in Lusaka or on Skype).
- ▶ Throughout the workshop series and one-on-one meetings, REEEP will collect questions about BGFA from private sector stakeholders, and feed these into a comprehensive Q&A document that will be made available on our website.

---

## PRINCIPAL CONTACTS FOR BGFA

► NEFCO:

Ash SHARMA

Special Advisor, BGFA

[ash.sharma@nefco.fi](mailto:ash.sharma@nefco.fi)

► REEEP:

Andreas ZAHNER

BGFA Lead

[andreas.zahner@reeep.org](mailto:andreas.zahner@reeep.org)

## PRINCIPAL CONTACTS FOR ZAMBIA

Merja Laakso

Head of Programme, Southern Africa

[merja.laakso@reeep.org](mailto:merja.laakso@reeep.org)

Boris Atanassov (GreenLight Lda)

Local Consultant for Market Scoping

[boris@greenlight-africa.com](mailto:boris@greenlight-africa.com)



**THANK YOU!**