



Renewable Energy Performance Platform (REPP) and EIB Rural Electrification Finance

**Empowering Rural Electrification
September 29-30, 2014**

REPP concept – overview

What?

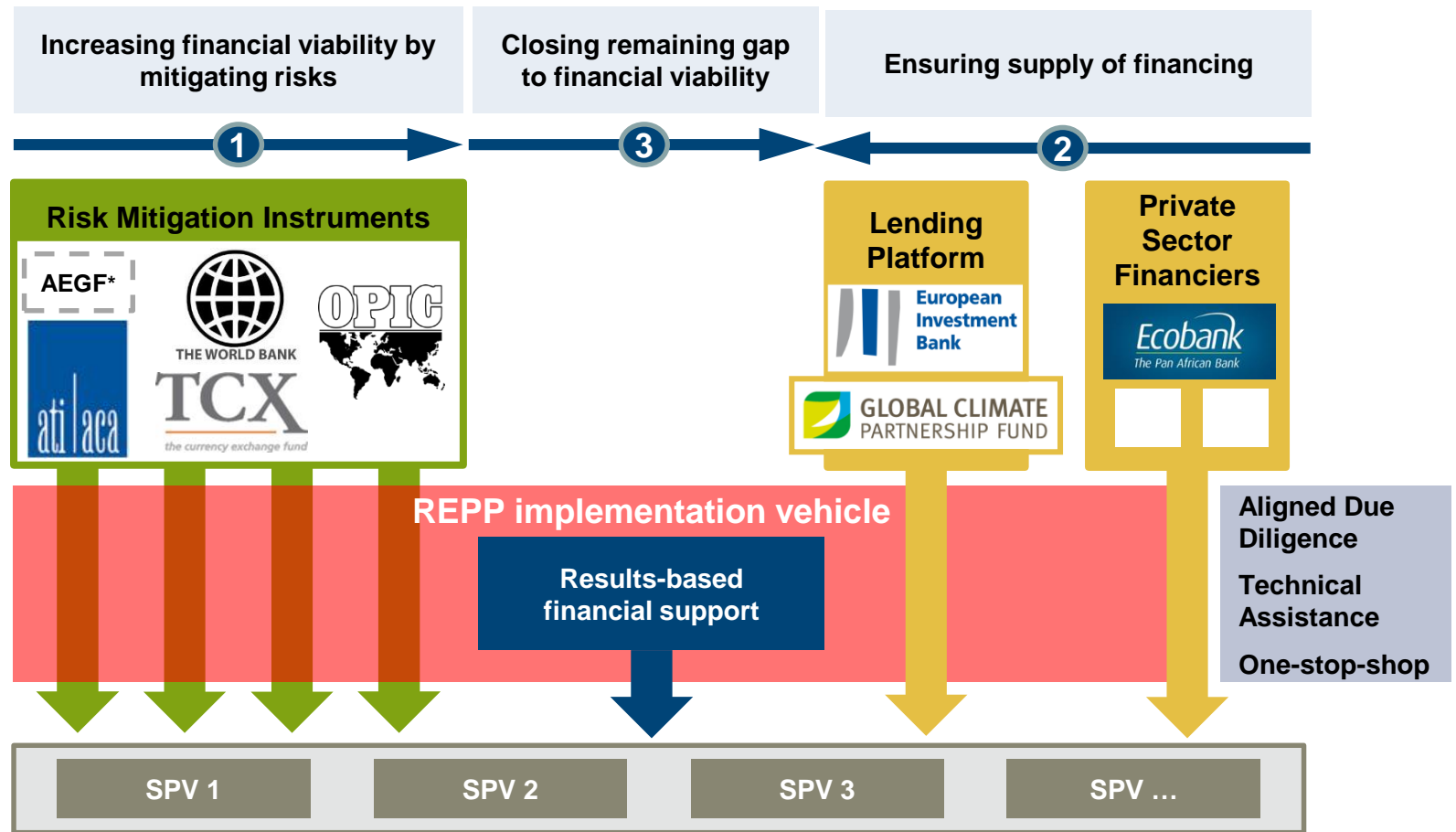


- **Geography:** Sub-Saharan Africa
- **Target:** Medium sized renewable energy projects incl. rural/off grid electrification projects
- **Aim:**
 - Kick-start the realization of small RE projects/demonstration effect
 - Accelerate project preparation

How?

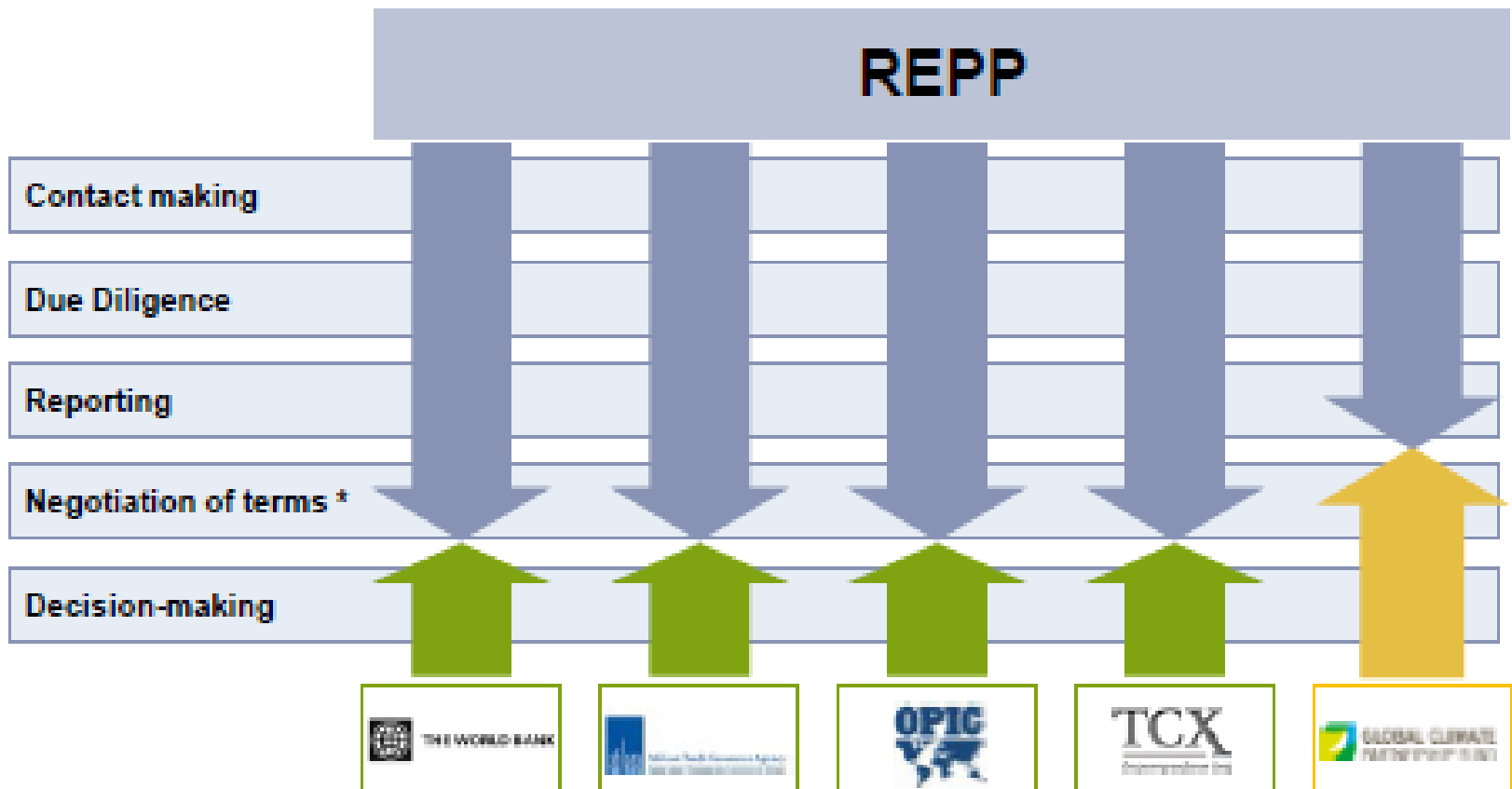
- **Systematic, coordinated and cost efficient** combination of support instruments
 - Risk mitigation instruments
 - Long term lending
 - Results-based financing
- Innovative delivery channel for **existing support instruments**
- **Concerted action** of established players to lower transaction cost and mitigate risks
- Open architecture

REPP concept – schematic overview



* The Africa Energy Guarantee Fund is a new vehicle that EIB is setting up to increase the supply of risk mitigation instruments for projects meeting SE4All criteria

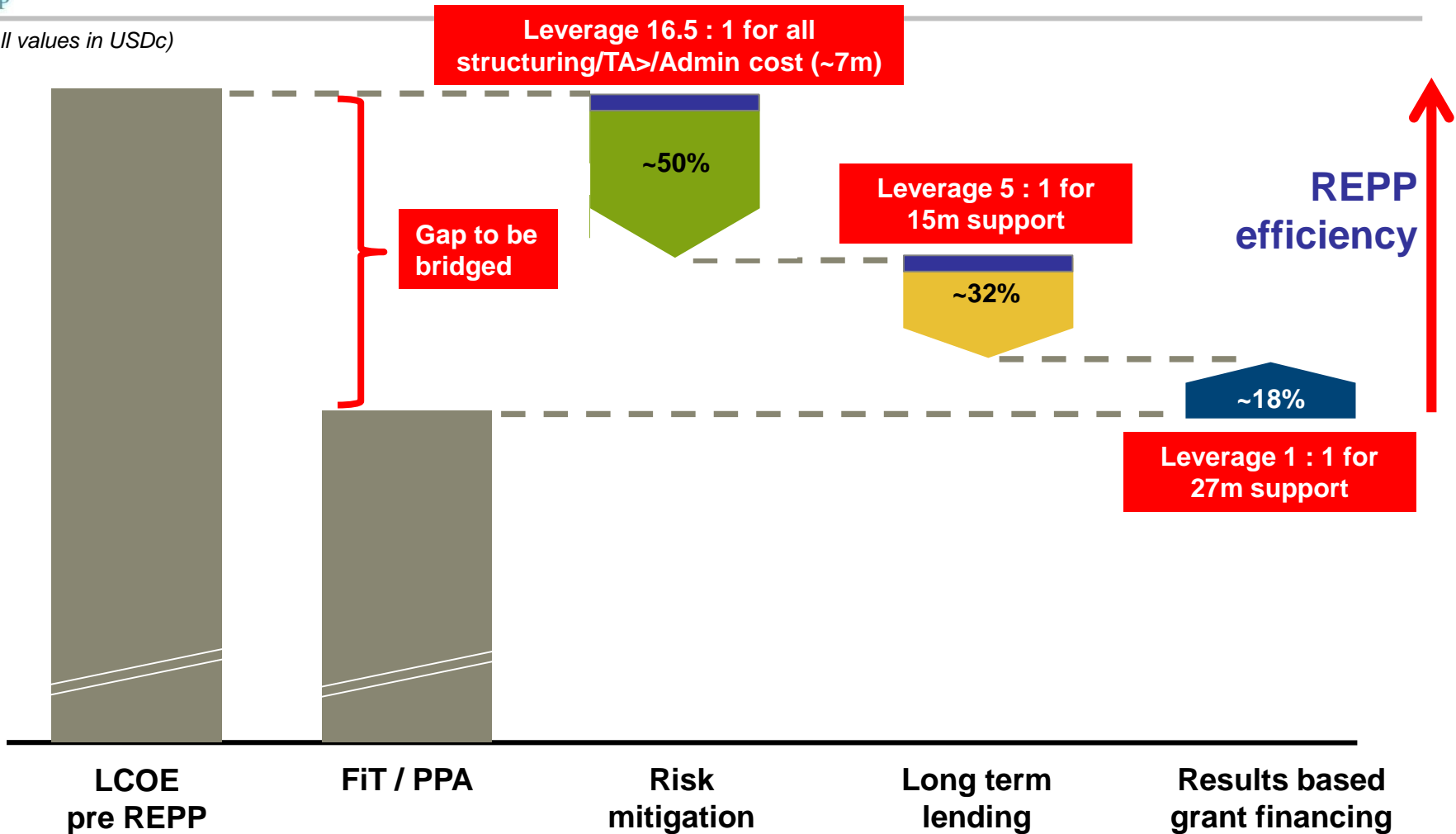
REPP concept – schematic overview



^{*} or standardized terms for REPP projects

Results-based financing – minimised

(All values in USDc)



Status of REPP approval

- **ITF PFG meeting** on 11.02.2014
 - **Endorsed** for Provisional Approval
 - To be discussed at PFG again following discussion and concretisation
- **ITF ExCom** meeting on 28.03.2014 and 22.05.2014
 - **Provisional Approval given**
 - Following last ITF Excom meeting, discuss written procedure submission to ITF. Endorsement sought from DEVCO.
Conditional on inclusion of rural electrification (which is the case).

Adaptation following PFG/EXCOM feedback

Reduced collateral requirements for ATI/TCX

- **Updated project pipeline**, reducing number of transactions requiring **TCX hedging**
- **Use of DSRAs** instead of L/C structure fronting ATI guarantees

Revision of Funding Needs for Platform Management and TA

- **Split in several components:** Advisory, TA on project level and Administration Expenses
- 20% (EUR 1m) **cost-sharing by beneficiaries** of REPP

GCPF first loss investment

- **Draft Commitment Agreement and Specific Side Letter** showing that funds will be linked to direct RE/EE projects in SSA
- **Redemption date** was discussed with GCPF board

Request for Proposals for Results-based financing

- Ensure full **transparency, price discovery, non-discrimination, equal treatment**
- Minimize cost to donors

REPP Funding requirements –



Updated following PFG/EXCOM feedback



(all values in m EUR)

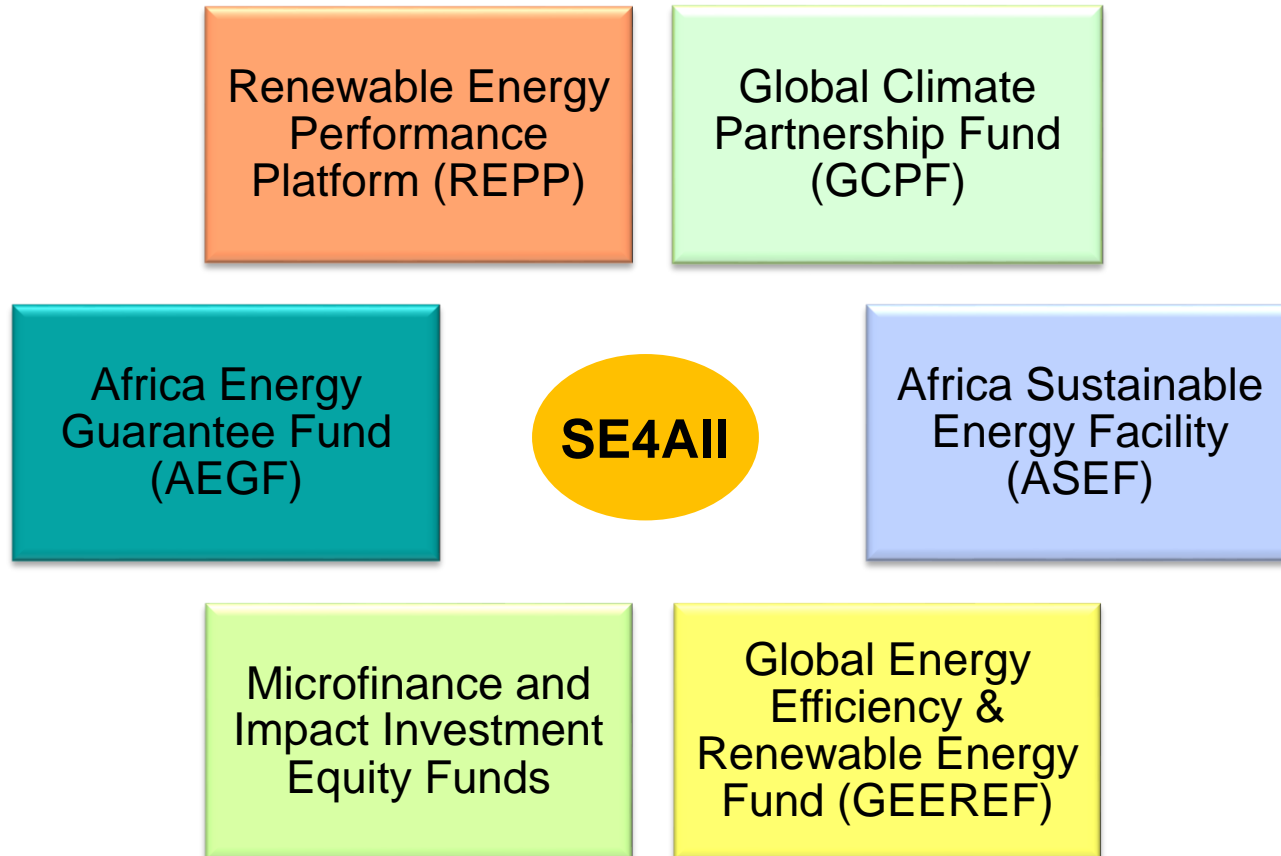
Category	Use of funds	Funding Requirement for REPP initiative and initial portfolio	Provision of Funding		
			From ITF	From other donors	From others for total portfolio*
Risk mitigation instruments	• Costs of guarantees to be borne by project and/or REPP partner	15.0 (13)			15.0 (13)
	• Guarantee exposure of REPP partners	68.0 (58)			68.0 (58)
	• Limited capital requirements for TCX collateral and L/C fronting structures to ATI/WB guarantees. In case of non-default, capital can be repaid over time	0.7 (23)	(5)	0.7 (18)	
Results-based financing	• Grant money required for financial support of projects	27.0 (26)	5.0	22.0 (21)	
Lending platform	• Total GCPF Investment Volume	75.0	15.0		60.0
Management and technical service	• Technical Assistance on government/policy level	4.0		2.0	2.0
	• Advisory - finance structuring, project selection, coordination with REPP partners	2.5	1.6	0.5	0.4
	• Technical Assistance on project level - project tendering, screening, due diligence, monitoring	2.5	1.2	1.0	0.3
	• Administration - operating expenses of the fiduciary structure	1.8	1.2	0.3	0.3
Total		197 (206)	24 (30)	27 (43)	146 (133)

Split,
Reduced,
Beneficiary
Cost-sharing
included

Updates since February 2014

- Study on 3 additional potential countries **Rwanda, Burkina Faso, Côte d'Ivoire**
 - Desk Study and Field missions completed in February/March (incl. meetings with respective EU delegations)
 - Suitability as pilot countries for REPP still to be discussed
- Received **support letter** from Government of Nigeria (addition to existing)
- Meeting with **EU delegation in Kenya** as raised during the first PFG
- Meetings with **TCX to further discuss cooperation** and REPP pipeline
- In advanced discussions with **UK (DECC)** regarding funding
- Presented REPP at **CMCI platform** meeting, positive feedback received
- **Eol-Phase for Platform Management** completed, currently preparing shortlist

EIB Initiatives for SE4All



Thank you,
Q&A.