



EEP AFRICA TRUST FUND

Annual Report 2021



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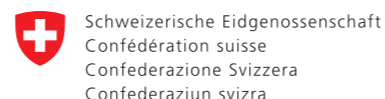
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Cover Photo: Mukuru Clean Stoves is a local, women-led social enterprise that designs, produces and distributes improved cookstoves for low-income households in Kenya. Mukuru employs local women as artisans and technicians to make the stoves from recycled materials, and works with female entrepreneurs, women's groups and MFIs on financing and distribution. During their EEP Africa-funded project, the company sold over 12,000 stoves and created jobs for 250 women. Mukuru's founder and CEO, Charlot Magayi (left), is seen here with customers.

EEP Africa is hosted and managed by the Nordic Development Fund (NDF) with funding from Austria, Finland, NDF and Switzerland.

 Austrian Development Agency



Swiss Agency for Development and Cooperation SDC

WELCOME FROM THE SUPERVISORY BOARD CHAIR



Finland aims to be a carbon-neutral circular economy by 2035. Climate change mitigation and adaptation are also high priorities in Finland's foreign policy. As part of this goal, Finland and the Nordic Development Fund recently embarked on a new field of cooperation with the African Development Bank to promote the integration of circular economy approaches in the climate and development agendas of the African nations through Africa Circular Economy Facility (ACEF). We believe that this cooperation will be able to provide opportunities for companies to address root causes of climate change, biodiversity loss and over-exploitation of natural resources.

EEP Africa has been identified as a key player in financing pioneering, early-stage companies in the clean energy access space in Eastern and Southern Africa, where it has had a significant impact on a number of successful projects and enterprises. This has resulted in growing interest among donors with Finland providing additional financing and Switzerland joining the EEP Africa family in December 2021.

As a founding member of EEP Africa, our aim is to continue to catalyse new commitments to the Fund, as well as to seek new partnerships to promote positive impact on people's lives and livelihoods built on the use of clean energy. With growing support, EEP Africa will be able to expand its project portfolio of early-stage entrepreneurs, thus enabling them to test and prove their business ideas and gradually grow to local, regional and even global champions in delivering renewable energy solutions.

A handwritten signature in black ink, appearing to read 'Anne Vasara'.

Anne Vasara
Ambassador for Circular Economy and Energy,
Ministry for Foreign Affairs of Finland

Dear Friends,

The climate crisis we have caused by unsustainable use of natural resources threatens ecosystems, human health and livelihoods in various ways. As the UN secretary general, António Guterres, warned world leaders in April: "Our addiction to fossil fuels is killing us."

To mitigate the risks and impacts of climate change, we need to urgently transform our economies and societies to not be dependent on fossil fuels. Such a systemic transformation needs to be just and, regardless of the urgency, will not happen overnight. Therefore, we need catalytic financial instruments that support rapid uptake of renewable energy solutions that are also in many cases the cheapest option to increase energy security in a climate-resilient way.



Millennium Engineers is a local, woman-owned start-up improving productivity in the low-income sardine fishing industry on Lake Victoria with solar-powered lamps and drying facilities.



Staff from Wala Clean Energy, a local and women-led start-up, demonstrating solar-powered water pumps to a farmer club in Malawi.

MESSAGE FROM THE FUND MANAGER



Due to the heavy project management load of the past year, EEP Africa decided to refrain from launching a new call for proposals. Instead, more focus was given to support the 66 active grantees to navigate through the challenges of the pandemic, as well as to raise funds for future call rounds. The year saw 1 200 jobs being created (of which 48% were for women), more than 217 000 people receiving enhanced access to energy and 155,000 tCO₂e of GHG emissions reduced or avoided. We were also happy to welcome Switzerland as a new donor to EEP Africa. This was followed by a significant additional contribution from Finland. Together, these two commitments are a strong endorsement of EEP Africa's mandate and we are confident that more will follow in the future.

EEP Africa has a key role to play in NDF's wider efforts to support climate action and the clean energy transition in Africa, working with both the public and private sector. It provides a pipeline for investors investing in more mature companies in the financing continuum that have the instruments and capacity to support companies in reaching scale in their path to financial sustainability. To mobilise investments in these funds, NDF has acted as an early-stage catalytic investor in several equity and debt funds in the clean energy access space, such as BUILD Impact Fund (BUILD), Emerging Market Climate Action Fund (EMCAF), The OffGrid Energy Access Fund (OGEF), and Sustainable Energy Fund for Africa (SEFA). Fostering synergies between EEP Africa and other initiatives in the climate finance landscape, as well as promoting learning and knowledge sharing, will be a priority moving forward.

Dear Partners and Friends of EEP Africa,

Investing in climate action and energy transition is more critical than ever. According to the World Meteorological Organization (WMO), four climate change indicators broke records in 2021: greenhouse gas concentrations, sea level rise, ocean heat and ocean acidification. Early-stage small and medium-sized enterprises in Africa are key drivers for developing and scaling up climate resilient solutions. EEP Africa has been a proven instrument to support this under-served market segment.

The year 2021 was still largely influenced by the prevailing COVID-19 pandemic. The challenging operating environment resulted in many EEP Africa grantees requesting a project modification, often in the form of extension due to delays in activities. Regardless of the difficulties, we witnessed successful closure of the first batch of EEP Africa projects contracted under NDF management. Many of them were able to raise significant debt and equity financing thus demonstrating strong resilience and clear future vision when faced with challenges.

Henrik Franklin
Director - Portfolio Origination &
Management, Nordic Development Fund

2021 MILESTONES



CLEAN ENERGY FINANCING

26 New Projects Contracted

A new cohort of 26 projects were contracted and launched in 2021. Funded under the 2020 Innovation window call on Clean Energy Powering Green Growth, EEP Africa committed EUR 8.3 million in grant funding to a diverse range of companies testing and demonstrating productive use of energy and circular economy solutions. The new grantees are mainly start-up companies (81%), with a significant share of local (62%) and women-led (38%) enterprises, working along the agricultural value chain and in last-mile communities.

Second Catalyst Loan Signed

The second pilot loan under the EEP Catalyst window was signed with SunCulture. The loan aims to accelerate the company's pay-as-you-grow business model and make solar irrigation more affordable for smallholder farmers in Sub-Saharan Africa, combining end-user finance, value-added services, modern climate technology and access to improve productivity. The EEP Africa financing was part of a USD 11 million syndicated debt facility arranged by SunFunder. SunCulture won EEP Africa Project of the Year in 2019 for its earlier grant-funded project.

First Trust Fund Projects Completed

Ten projects funded under the EEP Innovation window of the Trust Fund phase successfully completed implementation in 2021. Despite the challenges caused by COVID-19, seven projects awarded financing in the 2018 call and three financed in the 2019 call accomplished their main objectives and activities. With over EUR 3.5 million in grant support, these projects expanded access to affordable clean cooking, e-mobility, solar home systems, solar battery rentals, and asset financing for clean energy products.

Solar irrigation helps create food security and sovereignty, and it also helps lift people out of poverty. This facility further enables our efforts to support farmers by providing them with more of our solar solutions, and faster.

Samir Ibrahim, CEO of SunCulture



INVESTMENT FACILITATION

Investor Mapping

During the first half of 2021, EEP Africa conducted a mapping of active investors in the clean energy sector in Africa. The exercise focused on understanding which investors have available financing that is most relevant to the EEP Africa portfolio companies. The analysis consisted of a desk review complemented by 20 investor interviews to determine the type of financing available, risk appetite, as well as thematic and geographic priorities. This allowed EEP Africa to introduce companies directly to interested investors and paved the way for the Investor Workshops conducted later in the year.

Investor Workshops

With the global COVID-19 pandemic still limiting in-person events, EEP Africa transformed its traditional Investor Forum into a series of tailored Investor Workshops to introduce key investment partners to relevant companies in our portfolio. This customised approach to matchmaking was well-received by participants. The format allowed for practical discussions on investment criteria and challenges facing early-stage and local companies in the sector. Based on the positive feedback, EEP Africa will continue to organise similar workshops in the future.

EEP Africa is an important referral channel and source of discovery for us of emerging companies. We really appreciate this focused opportunity to gain insights on who is up-and-coming.

Charles Wetherill, Head of Origination at SunFunder



KNOWLEDGE SHARING

E-Waste Toolkit for Companies

The off-grid solar market is growing rapidly but clean energy products can have negative impacts on human and environmental health if not disposed of properly. In partnership with CLASP, EEP Africa developed a set of resources to help companies in Sub-Saharan Africa develop proactive e-waste management strategies and mitigate risk. The online [E-Waste Toolkit](#) provides information about local legislation and recycling services in the 15 countries covered by EEP Africa, along with best practices in battery handling and circular economy business solutions.

Case Study on Battery Rentals

Jaza Energy, a company revolutionising last-mile energy access through battery rentals, was featured in the EEP Africa [case study](#) Putting Stars on the Map. Jaza has developed a network of solar energy hubs across Tanzania that offer affordable battery packs for lighting and other energy needs. The Jaza product and business model specifically targets low-income customers and the energy hubs are operated exclusively by young women from rural communities. During its EEP Africa-funded project, the acquisition rate per hub rose from 10 to 140 new customers per month and Jaza battery swaps increased by 440%.

Knowledge Week and EEP Awards

EEP Africa organised a series of online events that examined evolving themes in the clean energy sector in Africa and showcased innovative business models and start-up companies in our portfolio. Over 250 people from 41 countries tuned in for discussions with private sector developers, investors and technical experts on early-stage [financing](#), inclusive leadership, [cold chain](#) and powering [agro-processing](#). The event also celebrated the 2021 winners of EEP Africa's Project of the Year and Rising Energy Leader awards.

We are excited to partner with EEP Africa to ensure more off-grid solar companies and stakeholders have access to resources for proper e-waste management. We hope that this toolkit acts as a starting point for further collaboration and investment in sustainable e-waste management across the sector.

James Wakaba, East Africa Director at CLASP



FUNDRAISING

Switzerland Joins as New Donor

The Swiss Agency for Development and Cooperation (SDC) joined EEP Africa as a [new donor](#) in 2021. The SDC financing commitment of EUR 8.6 million over the next four years aligns with Switzerland's strategy to support climate mitigation and expand cooperation with the private sector. In an exceptional instance of country-specific earmarking within the trust fund, the Swiss funds will be directed towards current and future grantees in Zambia and Zimbabwe.

Finland Commits Additional Financing

The Ministry for Foreign Affairs of Finland announced an additional [financing commitment](#) of EUR 4 million, bringing the total contribution from Finland to EUR 20.9 million. A founder and donor to EEP Africa since 2010, Finland aims to support adaptation, mitigation and climate resilience in Southern and East Africa through the fund. The new financing will support locally-produced renewable energy to increase the long-term resilience of businesses and communities.

Switzerland believes that supporting companies active in this growing sector creates jobs and opens up a path to economic growth with a low impact on the environment. Participation in EEP Africa provides a unique opportunity to contribute to increased access to energy by vulnerable and underserved groups and consolidate our engagement in climate mitigation in Southern Africa.

Manuel Thurnhofer, SDC Regional Director of Cooperation

INNOVATION PORTFOLIO

PORTFOLIO OVERVIEW

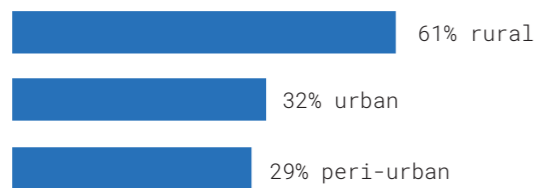
The 2021 active portfolio of 66 projects in 14 countries encompassed a range of technologies and thematic areas implemented primarily by start-up companies. The projects emphasise productive use of energy and energy services for smallholder farms and last-mile communities to foster climate adaptation and generate income. Many of the funded companies are integrating energy along the agricultural value chain or providing energy access to off-grid health centres.

During the course of the year, 10 companies successfully completed their EEP Africa-funded projects and three more projects were closed with partial activities realised. The remaining 53 projects continued implementation into 2022. As an early-stage funder with a focus on advancing a just and inclusive clean energy transition, a large share of the active portfolio are local companies and women-led enterprises.

PORTFOLIO FAST FACTS

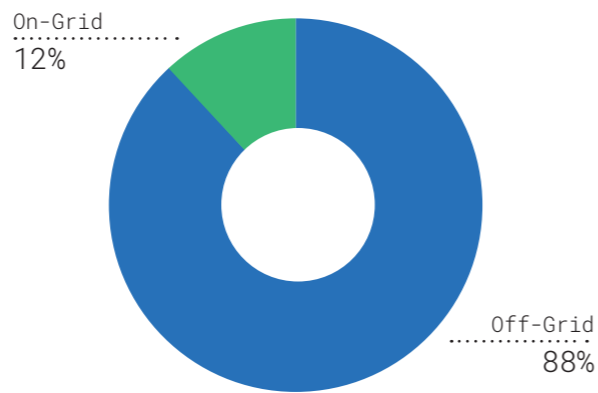


TARGET AREAS

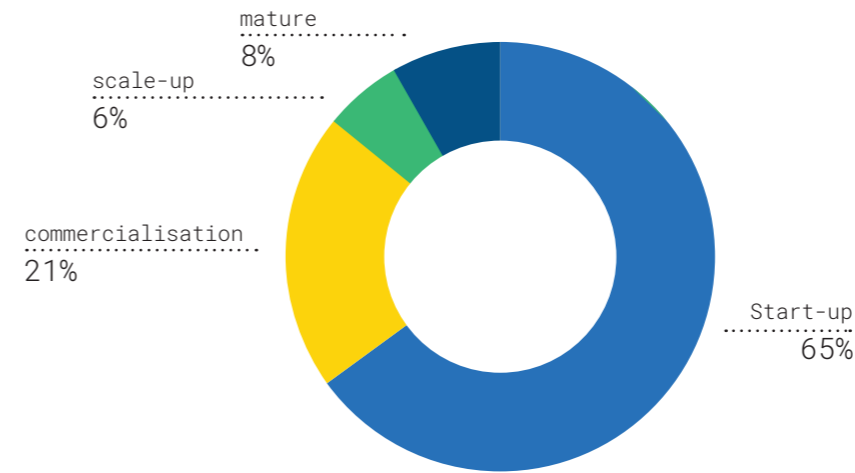


* Grantees may have operations in multiple areas

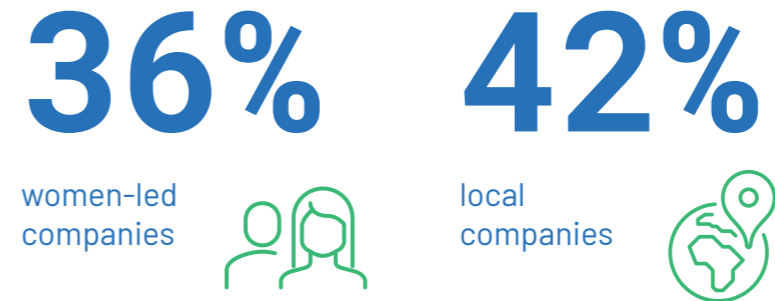
ENERGY SYSTEM



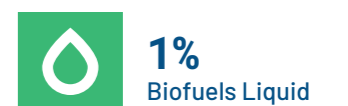
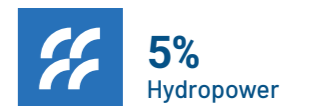
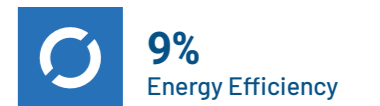
COMPANY MATURITY



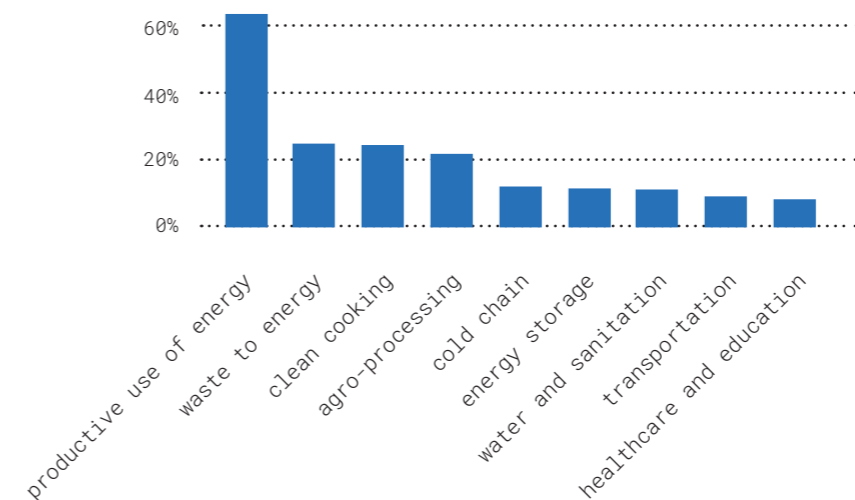
COMPANY LEADERSHIP



TECHNOLOGIES



PREVALENT THEMES



RESULTS ACHIEVED IN 2021

IMPACT INDICATORS


GHG emissions reduced or avoided





155,170 t CO₂e




28GWh Clean energy generated annually






217,660 People with enhanced energy access






1,200 Direct jobs created

48% for women
34% for youth

€50.3 M Mobilised climate finance


€3.5M Annual savings on energy-related expenditure



BUSINESS DEVELOPMENT AND INVESTMENT

21 companies received training in financial management

13 investors introduced to 20+ companies through one-on-one matchmaking or workshops

7 companies secured large-scale investments (over EUR 1M in debt or equity)

KNOWLEDGE SHARING

270 people from 41 countries participated in Knowledge Week (50-100 per session)

24 reports, articles and campaigns produced by or featuring content about EEP Africa

18 companies provided speaking slots at international events as a result of EEP Africa facilitation

13 + 19 events hosted by EEP Africa partner events with a speaker from EEP Africa

AWARDS



EEP Africa was a finalist for DFI & Alternative Financing of the Year at the AFSIA Solar Awards

19

companies or entrepreneurs in our portfolio recognised as finalists or winners of:

- Africa's Business Heroes
- AFSIA Solar Awards
- DFCD Scalable Climate Solutions Challenge
- Energy & Power Elites Awards
- Global Leap Off-Grid Cold Chain Challenge
- Huawei Startup Award
- Power for All Unsung Heroes
- Women in Energy

NOTABLE PROJECT ACHIEVEMENTS

Songa Energy signed a PPA with the Government of Burundi for a run-of-river hydropower plant

OnePower Lesotho reached financial close on the 2nd largest project-financed mini-grid transaction

Yellow and **SolarWorks!** each secured over USD 10 million in financing

E-mobility companies **Asobo**, **EkoRent** and **Zembo** collectively raised over EUR 5.5 million

Yellow surpassed 100,000 in sales of solar home systems in Malawi

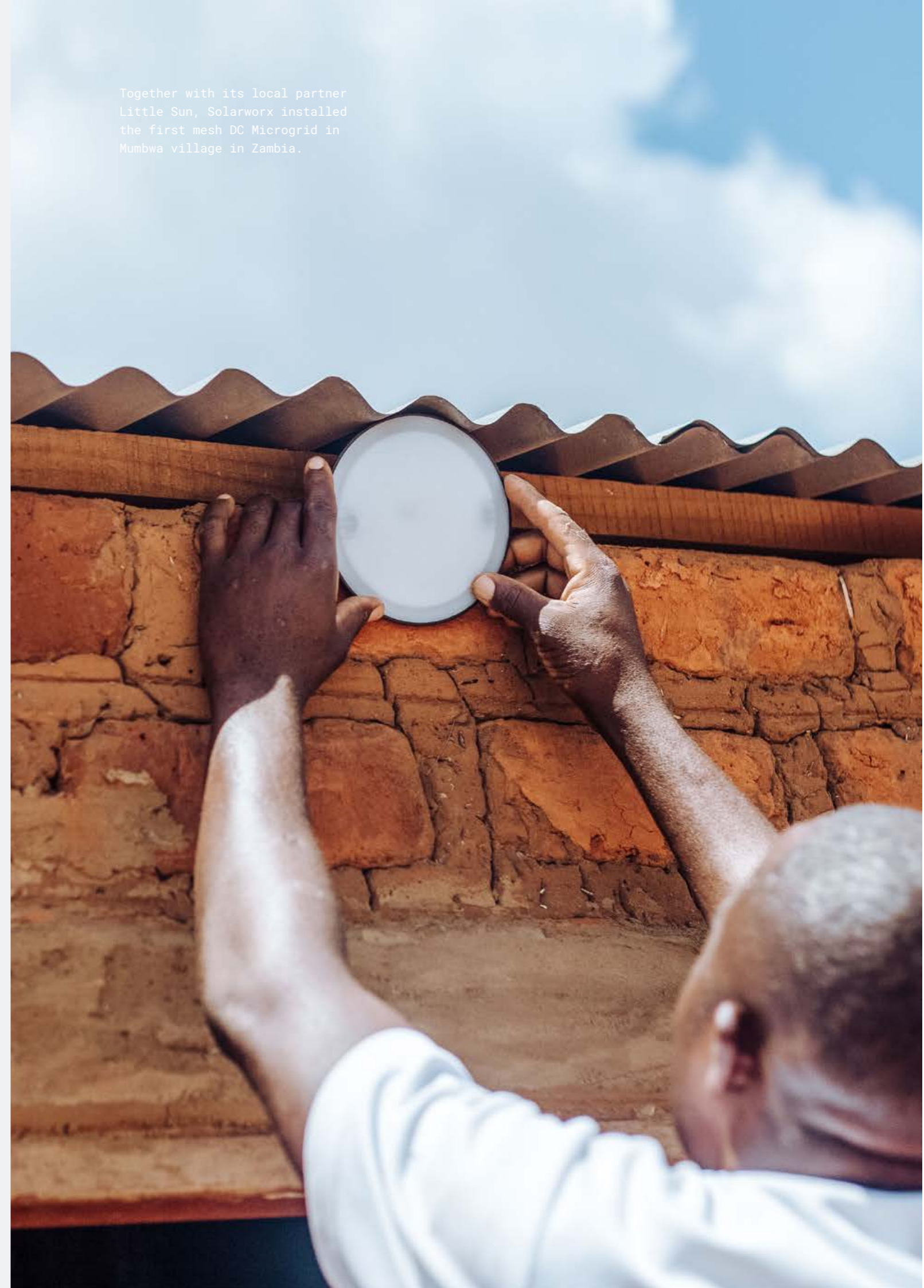
Solarworx installed the first mesh DC Microgrid in Mumbwa village, Zambia

Plentify installed the first HotBot energy storage unit in Cape Town, South Africa

Tree_Sea.mals launched the first Baridi cold room at the Burma Market in Nairobi

Agsol launched its new agro-processing MicroMill in Kenya

Together with its local partner Little Sun, Solarworx installed the first mesh DC Microgrid in Mumbwa village in Zambia.



SUCCESS STORIES

OPENING THE SHS MARKET IN MALAWI

SOLARWORKS! CONNECT MALAWI

SolarWorks! is a Dutch company selling PAYG solar home systems and appliances in Africa. After developing a successful PAYG business model in Mozambique, with an earlier grant from EEP Africa, the company received funding to replicate its achievement and establish a distribution and sales network in Malawi.



During the project, SolarWorks! opened six shops in Central Malawi and created more than 370 jobs in the country. Although internationally owned, 95% of employees come from the local community and the company aims for a 50/50 gender mix. The company's product offering ranges from small lighting to larger systems that power refrigerators, sewing machines and other productive use appliances. The development impact of SolarWorks! is heightened by its sales point in the Dzaleka Refugee Camp in Malawi, as well as a partnership with USAID to electrify 92 health clinics in Mozambique.

The company has also been very successful in fundraising. During the grant period, SolarWorks! has raised over EUR 10 million in new financing. The company is now expanding into other regions of Malawi, and exploring potential new countries of operation, while also introducing more off-grid appliances for the service sector.



Country
Malawi

379

Jobs created (33% for women)

€17,655,000

Mobilised finance

Total Project Budget
EUR 965,540

EEP Africa Financing
EUR 310,590

Company Type
International,
Scale up

Product
Solar home systems &
appliances

YELLOW PROJECT KHUMBO: EMPOWERING WOMEN THROUGH DIGITAL INCLUSION

Yellow is a tech-driven, local start-up advancing last-mile distribution of PAYG solar home systems in Malawi. Project Khumbo was designed to address gender imbalance in the clean energy sector by improving women's skills and job prospects through awareness, education, access and opportunity. Named after the company's first female sales agent, the project exceeded its targets and helped Yellow prove its business model in a nascent market.



Country
Malawi

53,573

People with enhanced energy access

€20,000,000

Mobilised finance

Total Project Budget
EUR 752,232

EEP Africa Financing
EUR 500,000

Company Type
Local,
Commercialisation

Product
Solar home systems

Through the project, 590 women were trained in the use of digital technologies, nearly 400 women entrepreneurs were provided with smartphones to develop online businesses, and over 140 women were hired by Yellow. The company's female agents collectively sold more than 11,840 solar home systems and are promoted as ambassadors for the economic role women can play in rural Malawi. Through a savings facility created by Yellow, many women agents have saved enough money from commissions and bonuses to start their own small businesses and create job opportunities for others in their communities.

The grant also helped catalyse Yellow's growth into one of the leading SHS distributors in the country and attract follow-on investment. Within three years, the company has expanded into all regions of the country and its sales network has grown from 5 to over 500 agents. During 2021, Yellow surpassed 100,000 units sold and, according to a USAID market report, has secured 75% of the SHS market in Malawi. The company is already in its Series B round and has raised over EUR 15 million in debt and equity finance.



PIONEERING URBAN E-MOBILITY

ZEMBO SUSTAINABLE AND PRODUCTIVE SOLAR MOTORCYCLES

Zembo is a French start-up founded in 2018 to develop sustainable mobility solutions for Africa (the name stands for Zero Emission Motorcycle Boda). The project was designed to develop an e-mobility sector in Uganda by deploying electric motorcycles on a lease-to-own basis and establishing a network of solar charging stations. A first mover in the market, Zembo achieved proof of concept and is revolutionising the boda boda market in Kampala and beyond.



After testing and adapting its product to fit the local market, Zembo has successfully leased more than 200 electric motorcycles and set up 25 solar charging and battery swap stations. The company has grown from 2 to 50 employees, including its first female engineer. Boda boda drivers leasing Zembo motorcycles report a 60% increase in their income. Through a partnership with the City of Kampala, Zembo bikes are used in the municipal fleet and local youth are employed at a charging station.

EEP Africa was only the second financier of Zembo and the company has gone on to leverage 10 times the grant amount in additional financing. This includes a EUR 3.2 million equity investment to scale up to 2,000 motorcycles on the road and 60 charging stations by 2023. Zembo is now building a 120 km corridor of charging stations from Kampala to Masaka and has developed ongoing partnerships with other motorcycle and credit financing companies.



Country
Uganda

209

Sales volume

€4,108,000

Mobilised finance

Total Project Budget
EUR 1,100,000

EEP Africa Financing
EUR 400,000

Company Type
International,
Start-up

Product
Solar-powered
e-mobility

CLEAN COOKING FUEL, STOVES AND FINANCING

ACACIA INNOVATIONS INNOVATIVE CLEAN COOKING FUEL DISTRIBUTION

Acacia Innovations is a woman-led start-up in Kenya that manufactures biomass briquettes under the brand name Kuni Safi. The project focused on scaling up production and distribution of the briquettes, which are made from recycled sugarcane waste, with a social mission of lowering fuel costs for low-income schools and small businesses.



Country
Kenya

30,429 tCO2e

GHG reduced/avoided per year

30,976MWh

Clean energy generated
annually

Total Project Budget
EUR 684,365

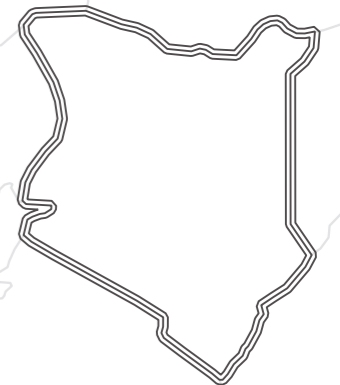
EEP Africa Financing
EUR 350,000

Company Type
Woman-led, Start-up

Product
Biomass briquettes

During the project, Acacia tripled monthly production and established three field offices to reach underserved regions. The company has delivered affordable and eco-friendly fuel to more than 500 schools, restaurants, hotels and small industries in 20+ countries across Kenya, and provides after-sales training to every customer. A further 3,675 institutions have participated in awareness raising events and clean cooking demonstrations. Acacia is also selling a Kuni Safi Jiko, a portable cookstove for institutions that is compatible with any cooking pot, and conducted a pilot for domestic fuel sales with 225 households.

With follow-on financing, secured with support from EEP Africa, Acacia continues to scale up production towards full machinery capacity (600 tonnes/month). About 100 jobs have been created, of which 60% are women and 75% under 35 years old. With more than 32,000 Kenyan schools still cooking with wood or charcoal, the company sees a strong market opportunity for future growth and profitability.



AFRICAN CLEAN ENERGY (ACE) CREDIT-BASED ENERGY ACCESS THROUGH SMART TECH

ACE, the second highest scoring B-corp certified enterprise in the world, produces and distributes a solar-biomass cookstove for rural households in developing countries. The project piloted a new PAYG cooking solution in Lesotho that bundles the ACE One cookstove, which has a built-in microprocessor, with a smartphone and pre-installed ACE Connect app. The project successfully launched the PAYG ACE One unit in Lesotho and established the digital infrastructure for flexible repayments.



ACE surpassed its target by selling 2,640 IoT-enabled cookstoves and, although affected by supply chain disruptions caused by COVID-19, distributed 1,250 smartphones. The company digitised its operations, including inventory and customer relations management, and built four shops across Lesotho for product sales and fuel distribution. After setting up a local clean fuel supply chain, ACE partnered with Vodacom to promote it. The company also prioritises an inclusive workplace, with a policy that at least 10% of staff should be differently-abled people.

The ACE Connect app allows customers to track their loan repayments and contact customer service. The system also enables ACE to collect hard data on stove usage and fuel consumption in real time. This opens opportunities for the company to monetise the health and environment benefits of its product and ACE is testing a carbon offset methodology based on the project. ACE has leveraged grant funding to raise EUR 2.35 million in Pre-Series A convertible debt and recently closed a EUR 3.5 million Series A round to scale up operations and invest in furthering these digital technologies in all its markets.



Country
Lesotho

8,250

People with enhanced energy access

4,895tCO2e

GHG reduced/avoided per year

Total Project Budget
EUR 1,100,000

EEP Africa Financing
EUR 400,000

Company Type
International,
Start-up

Product
Smart cookstoves

TINY TOTOS CLEAN ENERGY FINANCING THROUGH DAYCARE BUSINESS PARTNERSHIPS

Tiny Totos is a woman-led social enterprise in Kenya that is improving the quality of services and access to finance for women in low-income communities. Recognising that childcare providers offer an opportunity to reach marginalised women and improve family wellness, the project leveraged existing partnerships with informal daycare centres in Nairobi for the distribution and financing of clean cookstoves.



Country
Kenya

11,946

People with enhanced energy access

2,160tCO2e

GHG reduced/avoided per year

Total Project Budget
EUR 684,365

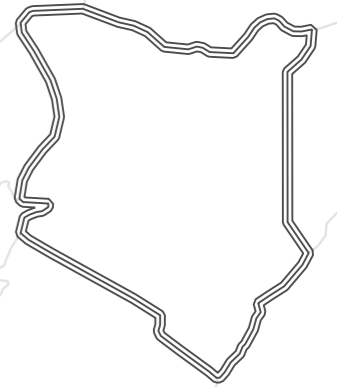
EEP Africa Financing
EUR 350,000

Company Type
Woman-led, Start-up

Product
Asset financing for cookstoves

Through the project, Tiny Totos implemented a financial data collection system that profiled the credit-worthiness of working mothers based on their childcare payment history. Women were set up with credit lines for purchasing bioethanol stoves from Koko Networks based on this analysis. The financing, distribution and payment collection for the stoves were organised through the daycare centres, and fuel could be purchased from Koko's network of ATM-style machines. Despite nearly half of the 87 centres closing due to COVID-19, a total of 3,620 stoves were sold through this business model during the grant period. The sales were combined with information and training for the parents on nutrition and health.

This data-driven approach to customer profiling led to very low default rates on product sales (less than 5%). The project demonstrated that there is purchasing power in the informal sector settlements for clean energy products when sales are coupled with financial inclusion enablers. With more than 3,500 informal daycares operating in Nairobi, there is significant potential to use childcare payments as collateral and open new market segments.



EEP AFRICA AWARDS

PROJECTS OF THE YEAR

The Project of the Year award celebrates outstanding achievement by an EEP Africa portfolio company. In 2021, the award was split into two categories in order to recognise Scale Up companies that are growing and on their way to broader impact as well as Start Up companies that are still in early stages but succeeding in innovating or opening the market. Four finalists were invited to pitch their projects before an international jury of experts.



JAZA ENERGY: Solar Energy Hubs for Last-Mile Access

Jaza Energy has pioneered a way to deliver energy access in last-mile communities by putting women at the centre of its business model. The company has deployed 63 solar energy hubs across Tanzania, providing electricity to over 50,000 people. The hubs are operated 100% by women, referred to as Jaza Stars, who are hired from the local community.

Jaza Energy was awarded financing in 2019 to scale up its business model and operations. The Jaza battery pack can power lighting and small appliances, offering affordable electricity to households and rural micro-enterprises. Customers pay a small fee to exchange expended batteries for fully charged ones. During the grant period, the company developed and launched a new model of battery, increased its sales volumes, and strengthened operations. Jaza has also raised USD 2.85 million in additional financing.

JURY PANEL:

- **Acumen:** Sarah Bieber, Associate Director of Strategic Partnerships
- **Nordic Development Fund:** Aleksi Lumijärvi, Program Manager
- **SACREEE:** Kornelia Ipinge, Project Coordinator
- **Shell Foundation:** Kwaku Owusu-Achaw, Regional Manager for West Africa

"Jaza achieved impressive volume in general, but what really impressed us was the ability to serve a demanding customer segment, with almost 80% of Jaza's customers earning less than \$2 per day. We were also inspired by the concept of Jaza Stars – empowering women in their own communities."

Aleksis Lumijärvi, NDF Program Manager and jury chair

2021 was a breakout year for Jaza. The company grew its monthly swap volumes from 13,000 in January to 65,000 in September, tripling swap revenue. Jaza also introduced a smart phone offering for top users and quadrupled its customer satisfaction score. The company employs 180 women in operational and leadership roles in Tanzania and has begun testing its model in a new market, with hubs set to launch soon in Nigeria. The company's business model was featured in the EEP Africa case study [Putting Stars on the Map](#) and in a video produced by BBC StoryWorks.

"I thank the Jaza Stars, our rural women who work with technology to power their communities. It's a group of amazing women that I work with every day and I'm excited they have been acknowledged. Thank you EEP Africa for providing support from the beginning and helping us provide better products that can serve our customers."
Cindy Bavo, Director of People and Culture at Jaza Energy



Customers renting Jaza battery packs at a solar energy hub in Bugaga village in Kigoma, Tanzania.



POWERLIVE ZIMBABWE: Empowerment through Feminist Electrification

Powerlive Zimbabwe is a local enterprise selling scalable solar systems and appliances in rural and off-grid areas of Zimbabwe through pay-as-you-go. The company has a gender lens approach to energy access and offers affordable products carefully selected to address the most pressing needs of low-income customers.

Powerlive demonstrated notable success in the early stages of their business within a challenging market. Their strong gender impact throughout the value chain is very impressive.”
Aleksi Lumijärvi, NDF Program Manager and jury chair

“Thank you EEP Africa for believing in us when no one else did and making this possible... Please continue to keep the light shining. This is not just a win for Powerlive, but for all of those who continue to make it possible for solar energy to be accessible and affordable.”
Sharon Yeti, CEO and founder of Powerlive Zimbabwe

Powerlive empowers women in underserved communities through affordable energy access and income opportunities. Through a network of rural women sales agents and technicians, the company’s relationship with customers begins with lighting, to improve health and study time, followed by water pumps to ensure safe, clean drinking water. Once these basic needs are met, customers are offered radios and televisions, to provide access to information, and appliances that can be used to increase income, such as hair clippers and refrigerators. Powerlive also provides financial literacy trainings, market linkages and mentorship to its sales agents and clients.

During 2021, Powerlive overcame significant market disruptions in Zimbabwe. Throughout the COVID-19 lockdown, the company ensured its customers continued to receive top-tier energy access and service, providing 24/7 remote support to the communities in which it operates and intensifying online marketing. Despite the difficult economic conditions, Powerlive sold over 1,500 systems and opened new markets in four districts. The company also survived the year without any retrenchments and secured funds from the Energy Access Relief Fund.

RUNNERS UP:

- **SISTEMA.BIO** for scaling up support to farmers in Kenya through access to biogas technology, training and financing to become more productive, efficient and sustainable.
- **ZEMBO** for piloting electric motorcycles in the boda boda market in Uganda through a lease-to-own business model and the creation of a network of solar charging and battery swap stations.



Women sales agents from Powerlive with a customer and his family in Zimbabwe

RISING ENERGY LEADERS

The Rising Energy Leader award shines a spotlight on young professionals who are leading the clean energy transition in Africa. Awardees demonstrate a strong commitment to advancing clean energy solutions, significant professional growth or achievement in the sector, and ambitious goals for the future. This year's winners include two young entrepreneurs who founded their own companies, two managers strengthening partnerships and local capacity, and a woman engineer leading technical operations for a prominent company.



ADMORE CHIUMIA
Founder, Green Impact Technologies (Malawi)

Raised in rural Malawi, Admore's family used kerosene for lighting and firewood to cook. After studying renewable energy technologies, he gained experience with public, private and non-profit energy developers at home and abroad. Based on this training and an entrepreneurial spirit, Admore launched Green Impact Technologies (GIT) in 2018. The company is developing community energy hubs that sell clean energy appliances to improve agricultural productivity and food security. Admore is particularly focused on biogas and the potential to produce energy from organic waste produced by local food markets.

"It was very hard to start the business and there were a lot of rejections along the way. The landscape doesn't allow a start-up much chance to access financing. Some said I was too young and my vision is too big."

– Admore Chiumia



AMAN BABOOLAL
Head of Partnerships, Plentify (South Africa)

Aman is passionate about the global energy transition and finding solutions to the South African electricity crisis. His early career brought experiences with a public energy utility and a World Bank-funded support program for cleantech start-ups. In 2019 he joined Plentify, a start-up building IoT devices called HotBots that transform domestic water heaters into intelligent thermal batteries. Aman helped Plentify develop a partnership with the City of Cape Town to pilot the technology in residential buildings, and create a pipeline of future deployments.

"Climate change is coming and it requires solutions we don't have yet, at least not at scale. The innovation required is quite broad, not just technology, but also new business models and flexible finance solutions."

– Aman Baboolal

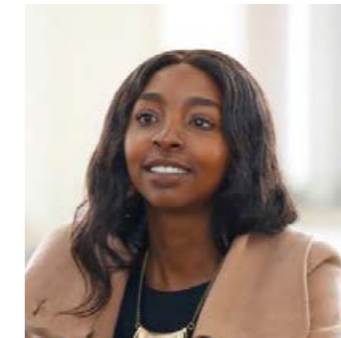


MADRIN MAINA
Technical Operations Manager – East Africa, Sistema.bio (Kenya)

Madrin started her career as a structural engineer for large grid projects. Seeing the transmission lines pass through rural communities without benefitting the local population catalysed her to move into the renewable energy sector. After several years as construction manager for a solar mini-grid developer, Madrin saw the impact potential of biogas and joined Sistema.bio in 2019. While establishing the company's local R&D division, she has maintained a strong focus on connecting with customers and supporting opportunities for women engineers.

"For me it's about the people. I'm very excited about training – seeing people grow. I also go to the field at least once per month. Meeting people and hearing their feedback is critical for establishing a continuous loop of improvement."

– Madrin Maina



Tracy Kimathi
Founder, Tree_Sea.mals & Baridi (Kenya)

Tracy grew up in Kenya's pastoralist society, which depends on animal livestock for its livelihood. Straight after university, she founded Tree_Sea.mals to develop solar energy services for pastoralist communities. In 2021, after four years of research and product development, Tracy and her team launched the first Baridi solar cold room at the Burma Market in Nairobi. This pay-as-you-chill service for meat vendors attracted a strong customer base from day one. Within the first quarter, Baridi was handling 1,000 kg per day and had plans to install more units and expand to other markets.

"Our exposure to accelerator programs gave us the courage to pivot. People are afraid to leave something and go onto the next thing. If you are a young African woman, especially, be brave – don't be discouraged and keep going."

– Tracy Kimathi



Ziwa Hillington
Managing Director, Green Bio Energy (Uganda)

Ziwa became active in community development as a teenager in Uganda, volunteering at a grassroots health project distributing solar ovens and water purification technology. This inspired him about how social enterprises and clean energy improve lives. He joined Green Bio Energy in 2012, soon after its founding, and helped develop its Briketi brand of cooking briquettes into a market leader. Now managing the whole company, Ziwa plans to scale up carbon financing and develop capacity building models to address youth unemployment and gender disparities.

"When looking at sustainable consumerism, you are looking to improve the entire environment in which we live. I want a future whereby not only do good jobs exist, but youth and women are in positions where they can actually feel the possibility to work in the renewable energy sector." – Ziwa Hillington

SUPPORTING ACTIVITIES

INVESTMENT FACILITATION

One of the major barriers to growth of early-stage clean energy companies in Sub-Saharan Africa is access to finance, especially patient capital. To truly scale up their operations, these companies need to be able to gradually access more commercial financing. This requires a solid and detailed business plan, which consists of a clear business model and a financing plan backed up by relevant data and a good team. Moreover, a company needs to understand which investors to approach.

“Most investors are not keen to invest in start-ups until they reach a certain threshold. The [EEP Africa] grant has accelerated our growth and helped us reach a stage that would have normally taken much longer. Thank you for giving us the opportunity to tell our story to different stakeholders.” – Sharon Yeti, Founder and CEO of Powerlive Zimbabwe

In 2021, COVID-19 restrictions on travel and events continued to prevent the traditional in-person EEP Africa Investor Forums that had been held annually in Cape Town and Nairobi since 2016. These events were well-liked by participants but were not easily accessible to companies and investors based elsewhere. Consequently, EEP Africa decided to explore different virtual formats of investment facilitation to adapt to the prevailing circumstances and to enhance the reach of the activity across the portfolio.

“Having the opportunity to speak with multiple, highly relevant companies and answer their questions in a more personal setting was one of the best and most efficient pipeline-building activities we’ve done to date.” – Bethany Larsen, co-Founder of Charm Impact

In the spring, EEP Africa conducted an investor mapping exercise. The analysis consisted of a desk review of active investors in the clean energy sector in Africa complemented by 20 interviews. The aim was to determine the “sweet spot” of each investor, including type of financing available, risk appetite, as well as thematic and geographic priorities. The exercise allowed EEP Africa to screen relevant companies from its portfolio and directly introduce them to potentially suitable investor(s) based on mutual consent. It also produced an investment readiness checklist to help companies understand investor expectations.

The analysis was later used to organise a series of customised Investor Workshops introducing a dozen portfolio companies to four investors offering a range of debt and equity financing. The format allowed for inclusion of companies that could not usually travel to investor forums, as well as an opportunity for peer-to-peer learning through pragmatic discussions. The workshops led to more than 10 one-on-one meetings between investors and participating companies, with several concrete investments in the pipeline for approval in 20

Investment Readiness Checklist

	Small ticket size	Medium-large ticket size
Typical investment	EUR 10,000 – 500,000	EUR 500,000 +
Business model	<ul style="list-style-type: none"> Completed pilot(s), product has been tested in their market Business model proven: demonstrated customer demand, basic unit economics are positive, track record over at least a year Sales are growing 	<ul style="list-style-type: none"> Commercial sites established (more than pilots) Established, functioning model and proven sales record Track record of revenue growth Business is profitable or has a clear path to profitability in 1-3 years Must be sustainable without grants
Team experience & capacity	<ul style="list-style-type: none"> Experience: <ul style="list-style-type: none"> Managing funds (e.g. grants) Personnel management Project management Built a working sales team Finance function in place, using at least a basic financial model Well-structured customer, sales, supply chain data tracking (beyond Excel) Audited accounts 	<ul style="list-style-type: none"> Strong teams: <ul style="list-style-type: none"> Experienced leadership Personnel & project management Finance function, including evidence-based financial model Credit and risk management Governance systems Customer, sales, supply chain data tracking Audited accounts
External	Good reference from grant manager or other investors (not required, but helps)	



RESEARCH ON PRIVATE SECTOR GRANT FINANCING

EEP Africa conducted a deep dive into its portfolio to explore the role of grant financing in private sector development within the African clean energy sector.

The core mandate of EEP Africa is to invest in early-stage companies that are piloting or deploying clean energy technologies and business models, particularly in off-grid and marginalised communities. A recent evaluation of the fund’s impact confirmed the value of supporting companies to achieve proof of concept and attract follow-on investment. Some EEP Africa grantees have grown into market leaders, but the sector remains challenging and will only reach the scale needed to achieve a real energy transition if more private investment is catalysed.

“Risk-tolerant early-stage financing is scarce in the clean energy sector and hence it is of utmost importance to put that financing to good use. EEP Africa has been providing grants for more than a decade and the sector has evolved massively during that time. This research effort provided a great opportunity to listen to our key stakeholders and critically assess how grants can better serve the scale up of sustainable clean energy solutions.” - Jussi Viding, Fund Manager for EEP Africa, Nordic Development Fund

During 2021, EEP Africa leveraged its extensive experience with early-stage companies, donors and investors to examine how grants can best be deployed to de-risk innovation and build commercially-viable businesses offering fit-for-market products and services. The goal of the study was to understand what has worked and what can be done better in the complex and rapidly evolving clean energy sector.

The first step in identifying what can be done to enhance the chance of success is to define what “success” means for different stakeholders. The analysis began with a desktop review of data collected on over 200 companies funded by EEP Africa since 2010. This was supplemented by a brainstorming session with the EEP team to share learnings on stakeholder motivations and measures of success for different types of companies and projects.

The resulting ideas on success criteria were then validated in focus groups and direct interviews. A total of 33 people representing 22 companies and 7 donors or investors participated. The focus groups were primarily organised by company maturity (start-up, commercialisation, scale-up, mature), with additional sessions dedicated to local companies and women-led companies.

One of the main findings to come out of the focus group discussions is that all companies – from start-up to mature – use grant funding for essentially the same purpose. Grants are seen as learning money to find the right fit between product, business model and market. They are used to test new products or services and enter into new markets, giving companies the space to find out what works and what does not.

The other main finding was that each stakeholder in a grant-funded project has its own distinct criteria for success. Grant financing has traditionally been prescribed top-down, with a focus on achieving high-level outcomes prioritised by donors and governments. The research, however, points towards the need for a more progressive, developer-led model. This type of approach looks at funding as part of the broader growth continuum of a company or market, with an emphasis on meeting the needs of end users.

Criteria for success by stakeholder



An approach that aims to develop viable businesses also requires flexibility. The clean energy sector is constantly evolving and things do not always go according to plan, especially in early-stage projects. Based on this research, nearly 70% of companies in our portfolio have needed to modify their project activities, budget or approach during implementation. After adjustments due to the effects of COVID-19, the most common reason for a modification (24%) was to make a market-driven pivot.

Developers need to be able to pivot their business model in response to lessons learned or changes in market conditions. When this is not allowed, a company may develop an operating or client base that cannot be maintained or grown beyond the end of the grant period.

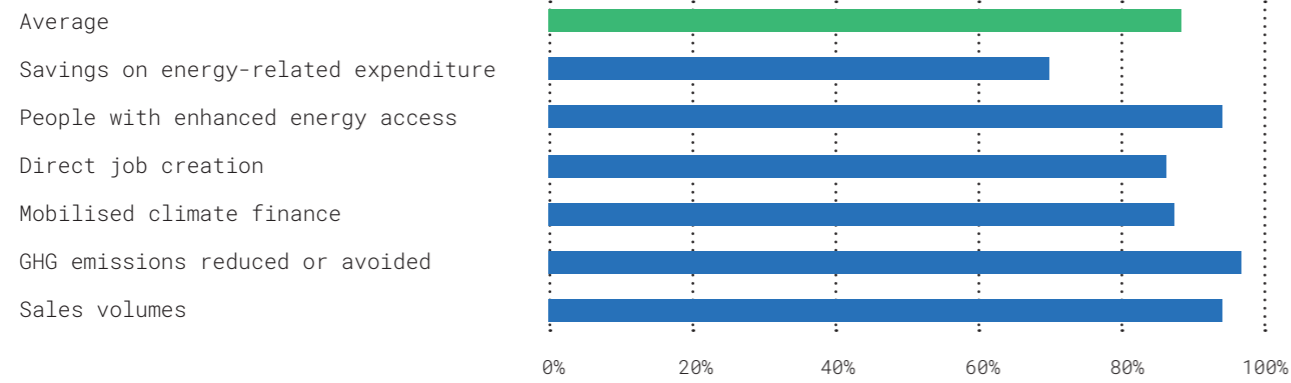
“We learned a lot about the sales process, risk management and market conditions. The lessons learned from the project led us to re-focus our scope and sales teams. That’s how we’ve reached the product-market fit we are scaling up now. This experience was essential to our current path to success.” - Erwin Spolders, CEO of REDAVIA

When looking at the different types of companies and projects in our portfolio, it became clear that a broader set of indicators needs to be monitored in order to capture the true impact of grant financing. Projects in the scale-up stage generate significantly higher development outcomes than pilot projects. In the EEP Africa portfolio, the difference ranged from 3 to 18 times higher outcomes.

This dramatic difference in outcomes is reflected in the concentration of results. Among other data, EEP Africa tracks impact indicators based on the Sustainable Development Goals for energy access, climate mitigation, economic growth and poverty reduction. Given that 68% of our projects are early-stage (feasibility, pilot or demonstration) and 66% of our portfolio companies are start-ups, we found that two-thirds of total results for these indicators were produced by just 10% of our grantees. The results produced by scale-up projects ranged from 69% - 96% of the total, depending on the indicator, with an overall average of 88% (see graph on next page).

In order to measure the success of early-stage projects, therefore, it is essential that results such as commercial progression, market stimulation and grant-enabled learnings are also counted.

Percentage of total results produced by scale-up projects

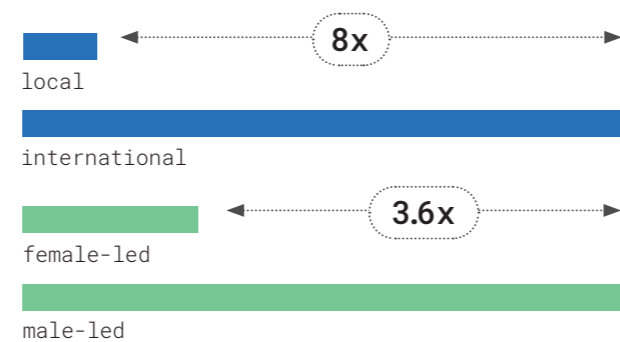


All stakeholders consulted agreed that scaling impact and achieving a true energy transition requires commercial investment. Companies cannot build sustainable operations solely on grants so a core goal of funding must be to help grantees become investment ready. Based on the focus groups, as well as the investor mapping discussed earlier, EEP Africa understands that investors primarily look at the business model and team (see table in previous section) and demand well-organised and well-documented data to back that up.

Furthermore, the research demonstrated that some clean energy companies confront greater challenges in growing their business. Local and women-led companies face significant barriers in fundraising compared to international and male-led companies. With less access to early-stage financing, these companies struggle to conduct the market testing and scaling required for commercialisation. Recognising this need, EEP Africa has tripled the share of local and women-led companies in our portfolio since 2018.

A company looking to scale up needs strong data collection tools that provide hard evidence on sales, cash flow, market opportunities, risk management, supplier and customer accounts. An analysis of developers in the EEP Africa portfolio demonstrated a positive correlation between the number of evidence-based investment materials and the amount of co-financing or other investment secured. This indicates that grant funds should be used not only to test products and markets, but also to help the company strengthen its personnel, through training or recruitment, and its data management function.

Fundraising Bias



The full analysis and resulting recommendations for the sector can be found in [Generating Success \(2022\)](#).



Tiny Totos is a woman-led social enterprise in Kenya that implemented a financial data collection system that profiled

PARTNERSHIP HIGHLIGHTS

EEP Africa leverages its impact through partnerships with other key players in the clean energy sector.

These relationships take a variety of forms but the overall goal is to enhance market intelligence, stimulate knowledge sharing, support the commercial growth of our portfolio companies, and advance a just and inclusive energy transition.

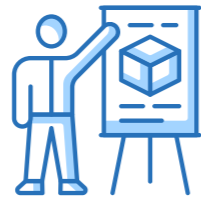
Key partnership activities in 2021 focused on the energy-agriculture nexus, gender lens investing, youth jobs, climate adaptation, last-mile distribution, productive use of energy, energy efficient appliances, e-mobility, and financing for local companies.



Opening access to finance:

Arranging investor matchmaking for companies and contributing to the development of funding databases and other tools to help facilitate investment pipelines with Alphamundi, Charm Impact, Clean Cooking Alliance, EDFI ElectriFi, Gaia Impact Fund, GET.invest, InfraCo Africa, Lendahand, Lion's Head Global Partners/FEI-OGEF, Oikocredit, Persistent, Shell Foundation, Sima Funds, SunFunder, Trine, USAID Development Innovation Ventures, Venture Builder.

EEP Africa organised bespoke workshops for Camco Clean Energy, Charm Impact, Lendahand, SunFunder to introduce them to relevant companies from our portfolio.



Bridging the funding gap:

Organising and speaking at investment forums, working groups and trainings designed to increase the level of funding and investment flowing into the clean energy sector and enable companies' ability to access financing with Alliance for Rural Electrification, Camco Clean Energy, Clean Cooking Alliance, Enlit Africa, GET.invest, GOGLA, IRENA, PFAN, SACREEE, Shell Foundation, Value for Women, World Resources Institute.

EEP Africa led the ARE Investment Academy module on Improving Access to Finance for DRE SMEs and co-hosted with PFAN two scale-up events for early-stage companies.



Diversity & inclusion:

Engagement on creating and promoting opportunities for women and youth in the clean energy sector with PFAN, Power for All, SACREEE, SARD Beyond Gender Equalities Institute, Shell Foundation, UNIDO, Value for Women, Women in Energy Network.

EEP Africa is on the SADC Renewable Energy Entrepreneurship Facility board and spoke at a SACREEE webinar on Youth Engagement in the RE and EE Sector.



Donor coordination:

Membership or active participation in donor coalitions and working groups to share lessons learned and align funding, organised by BRILHO, Efficiency for Access Donor Coalition, Household Solar Funders Group, SADC, Shell Foundation.

EEP Africa is a member of the working groups on Productive Use of Energy and Local Companies within the Household Solar Funders Group.



Research & resources:

Collaboration on research, case studies, reports and toolkits through content development and peer review with 60 Decibels, Acumen, Catalyst Off-Grid Advisors, CLASP, Clean Cooking Alliance, Efficiency for Access, GET.invest, Power for All, Shell Foundation, and Value for Women.

EEP Africa and CLASP jointly produced an E-Waste Toolkit to help off-grid solar companies in Sub-Saharan Africa develop proactive e-waste management strategies and mitigate risk.



Knowledge dissemination:

Data and stories from the fund and our portfolio were disseminated through relevant media, newsletters, blogs, podcasts, videos and social media campaigns with BBC StoryWorks, Efficiency for Access, Energy 4 Impact, Energy World, ESI Africa, Financial Times, Power for All, Sun Connect News.

EEP Africa partnered with BBC StoryWorks and the World Energy Council on a film and article about gender and energy for the Humanising Energy campaign about grassroots drivers of the energy transition.



OUTLOOK 2022

Four years have passed since EEP Africa transitioned into an open-ended trust fund hosted and managed by NDF. The past years have provided numerous learning opportunities through fund activities and knowledge exchange with renewable energy stakeholders.

Three calls for proposals have been executed resulting in 72 grant agreements. An external impact evaluation was commissioned and completed in 2020. Furthermore, recent EEP Africa in-depth studies have explored the adaptation and resilience benefits of off-grid clean energy solutions, as well as how flexible grant financing can better help companies become sustainable.

Based on the recent learnings, EEP Africa will use most of 2022 to critically review its internal processes and activities with the following goals in mind:

- 1. Enhanced share of locally-driven inclusive business models in the future portfolio.** EEP Africa will review its application process with the aim of making the selection process more sensitive to local context and to better map out the critical business development needs of the applicants. This will be accompanied with more explicit guidelines defining EEP Africa's sweet spot in the focus countries. A new call for proposals will be launched once these revisions have been executed.
- 2. Holistic approach to measuring success of early-stage grants.** It is important for EEP Africa to develop more holistic success metrics to improve the understanding on the progress that the grantees have achieved with EEP Africa financing. These metrics should help to assess more systematically, for example, commercial progression and investment readiness.

- 3. Harmonisation of activities and financing.** There is a clear need to enhance coordination especially with other grant or technical assistance providers that share portfolio with EEP Africa. More time will be allocated for peer-to-peer learning and coordination of activities to avoid duplication of efforts. Synergies can be found in terms of harmonising site visits and monitoring of results, as well as collaborating on events and knowledge products. EEP Africa will continue its active dialogue with follow-on investors to connect companies with later-stage investors in the financing continuum.

EEP Africa currently has a strong and committed group of donors that provide a bright outlook for continuity of financing and support activities. However, as a grant provider, EEP Africa needs to constantly fundraise to be able to launch new application rounds. EEP Africa donors will continue their proven collaboration in bringing in new like-minded donors into the Fund over the year.

Charlot Magayi, founder and CEO of Mukuru Clean Stoves pictured with the improved cookstoves Mukuru produces and distributes.



ABOUT EEP AFRICA

FUND OBJECTIVE AND ACTIVITIES

EEP Africa is a multi-donor fund that is hosted and managed by the Nordic Development Fund (NDF). Funding for the current portfolio comes from the Austrian Development Agency, the Ministry for Foreign Affairs of Finland, NDF and the Swiss Agency for Development and Cooperation.

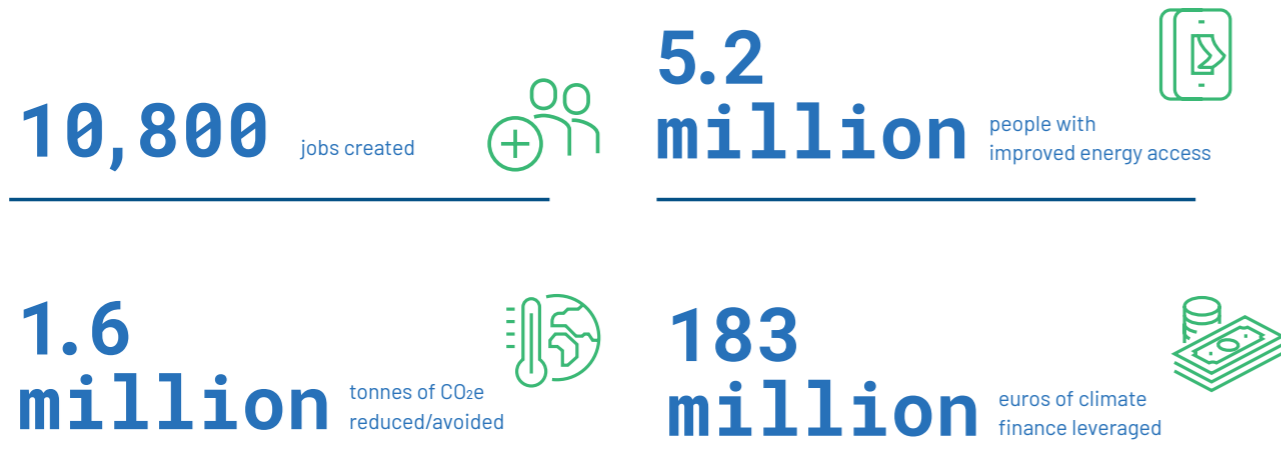
EEP Africa has been a driver of the clean energy transition in Africa since 2010, investing over EUR 56 million in more than 270 pioneering projects across 15 countries. The overall objective is to enhance clean energy access, development and investment, with a focus on benefiting poor and underserved groups.

EEP Africa invests in companies that are piloting or scaling clean energy technologies and business models with the potential to transform lives and livelihoods.

An impact evaluation of the fund conducted in 2020 confirmed the EEP Africa's added value to the sector as its willingness to take risks and invest in start-ups and early-stage projects.

During recent years, the fund has strengthened its focus on supporting local and women-led companies in the sector, with the aim of enabling these companies to achieve proof of concept, attract follow-on financing and achieve a more inclusive energy transition.

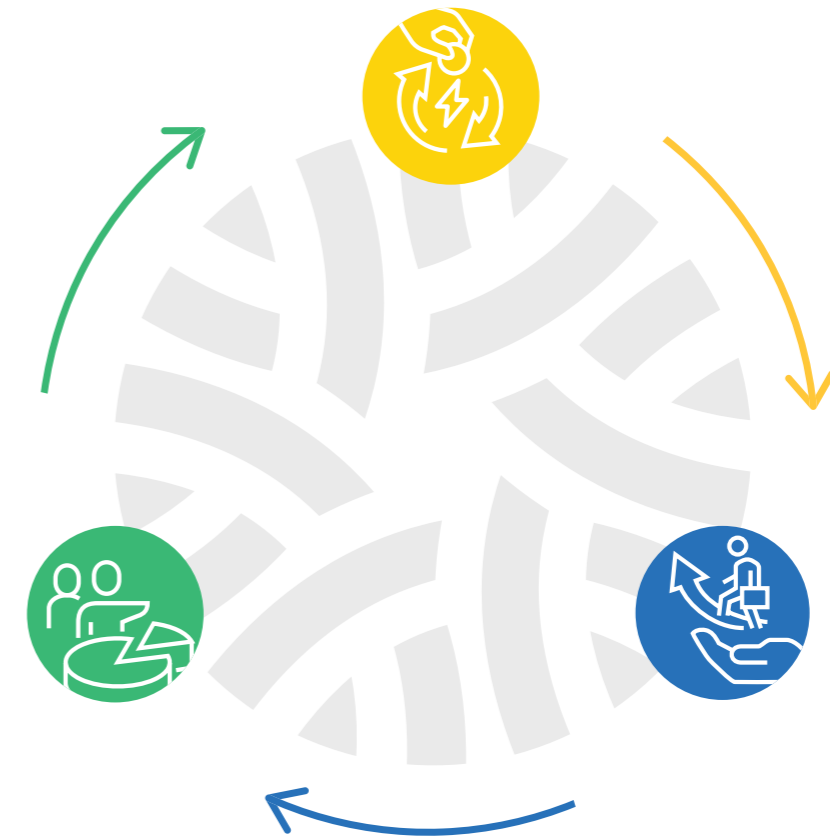
PORTFOLIO FAST FACTS



EEP Africa contributes to the Paris Climate Agreement and Sustainable Development Goals through three core activities:

Clean Energy Financing

The EEP Innovation window provides early-stage grant financing to projects in active development through competitive, open calls for proposals. The EEP Catalyst window is piloting follow-on debt financing for successful grantees to close the financing gap and scale up commercially viable solutions.



Knowledge & Partnerships

EEP Africa leverages the applied learning happening inside its diverse portfolio to develop a range of knowledge products, events and partnerships that advance best practices in the clean energy sector.

Investment Facilitation

EEP Africa improves investment readiness through targeted business support services and by matchmaking with the global investor community. The fund collaborates with other stakeholders to stimulate market development in Southern and East Africa.

FUND MANAGEMENT



FUND MANAGER

The Nordic Development Fund (NDF) is both Fund Manager and funding partner for EEP Africa. NDF is the joint Nordic climate and development finance institution established by the governments of Denmark, Finland, Iceland, Norway and Sweden.

The purpose of NDF is to advance Nordic leadership in addressing climate change and development challenges through financing, knowledge and partnerships. Together with strategic partners, NDF develops, launches and scales high-impact projects to support developing countries and the most vulnerable people affected by climate change.

Headquartered in Helsinki, NDF provides flexible, catalytic financing for climate change mitigation and adaptation in lower income and countries in fragile situations with focus on Sub-Saharan Africa. NDF engages in both the public and the private sector and works in close interaction with its extensive network of strategic partners.



FUNDING PARTNERS

Austrian Development Agency

The Austrian Development Agency (ADA) is the operational unit of Austrian Development Cooperation and has supported EEP Africa since 2010. ADA's goals prioritise reducing poverty, ensuring peace and contributing towards conservation of the environment with particular emphasis on gender equality and climate protection. ADA's focus themes, such as the water-energy-food security nexus and private sector development, are strongly supported by EEP Africa.



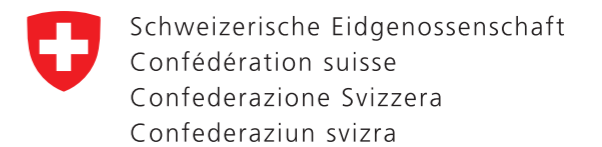
Ministry for Foreign Affairs of Finland

The Ministry for Foreign Affairs administers Finland's ODA budget and led EEP Africa from 2010-2017. Finland's development policy supports eradication of poverty and inequality and the promotion of sustainable development with particular focus on strengthening the rights of the most vulnerable, promoting gender equality and improving climate change preparedness and mitigation. Enhancing energy access is a key component in reaching these goals.



Swiss Agency for Development and Cooperation

The Swiss Agency for Development and Cooperation (SDC) is Switzerland's international cooperation agency within the Federal Department of Foreign Affairs. The main goal of Swiss development cooperation is to reduce poverty through supporting human and economic development, the protection of the environment and the promotion of peace and good governance. To reach a sustainable systemic change, the SDC is implementing various projects in partnership with various actors including EEP Africa.



Swiss Agency for Development and Cooperation SDC



EEP AFRICA TEAM

The EEP Africa Team is led by a fund management unit in Helsinki, Finland and operates out of regional hubs in Nairobi, Kenya, and Harare, Zimbabwe. The team is comprised of a diverse and experienced group of staff and consultants with multi-sectoral profiles and extensive regional expertise in energy access, clean energy financing, energy policy and partnerships, portfolio management, communications, and monitoring and evaluation.

FINANCIAL REPORT¹

FUNDS RECEIVED² EUR

Funds provided by:

Austrian Development Agency	3	000	000,00
Ministry for Foreign Affairs of Finland	13	300	000,00
Nordic Development Fund	7	500	000,00
Swiss Agency for Development and Cooperation	860	000,00	
EEP Catalyst Repayments	471	114,42	

Funds provided, total **25 141 114,42**

Deposit interest

9	484,93	
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Funds received, total **25 140 599,35**

USED FUNDS

Project disbursement, EEP Innovation	11	900	000,00
Project disbursement, EEP Catalyst	2	504	214,39
Administrative expenses	1	377	536,31
Implementation expenses ³	5	183	877,18
EEP Africa Impact Evaluation	230	000,00	
VAT disbursements ⁴	304	356,72	
Bank expenses	476,72		
Negative interest fee	10	539,91	
Audit expenses	2	585,00	

Used funds, total **21 513 593,23**

REMAINING FUNDS **3 627 006,12**

Placements⁵

998	500,00	
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Bank account, 31.12.2021

2	628	506,12
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¹ Financial figures represent the full life of the Fund from 26.04.2018 - 31.12.2021.

² Funds received represent total cumulative disbursements to the Fund during the Fund life. Total funds committed by the donors amount to EUR 54,5 million, representing EUR 3 million from ADA, EUR 20,9 million from MFA Finland, EUR 22 million from NDF, and EUR 8,6 million from SDC.

³ Implementation expenses cover costs linked to EEP Africa activities carried out by service providers. These activities include support to portfolio management, knowledge and partnerships, as well as technical assistance to grantees in terms of business development and investment facilitation.

⁴ VAT disbursements reflect net outstanding VAT payments as of 31.12.2021. VAT payments are fully recoverable and return to the resources of the Fund as and when processed.

⁵ Placements follow the NDF Liquidity and Investment Management Policy with the goal of placing excess liquidity in highly-rated green instruments.

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the accompanying financial report of the Energy and Environment Partnership Trust Fund (the "Fund") for the year ended 31.12.2021. Our audit covers the transactions for the period 1.1-31.12.2021.

In our opinion, the Financial Report presents fairly, in all material respects, the funds received and used during the period 1 January 2021 to 31 December 2021 as well as remaining funds (EUR 3.627.006,12) at the end of the accounting period in accordance with the accounting principles described therein.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section of our report. We are independent of the Nordic Development Fund ("NDF") in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial report, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management for the financial report

NDF's management is responsible for the preparation and fair presentation of the financial report in accordance the accounting principles described in the notes to the financial report, and for such internal control as NDF's management determines is necessary to enable the preparation of financial report that are free from material misstatement, whether due to fraud or error. The financial report has been prepared on cash basis.

In preparing the financial report, NDF's management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of NDF's management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Helsinki, 31 May 2022

Ernst & Young Oy
Authorized Public Accountant Firm

Terhi Mäkinen
Authorized Public Accountant

ANNEX: 2021 ACTIVE PORTFOLIO

Burundi:

Songa Energy
KTF Concept

Kenya:

Acacia Innovations
EcoZoom
EkoRent Africa
Micro Energy Credits
Mukuru Clean Stoves
OVO Solar Technologies
Pawame
Sanivation
Sistema.bio
SokoFresh
Tiny Totos
Tree_Sea.mals
Village Industrial Power

Lesotho:

Nala PayGo
African Clean Energy
OnePower Lesotho

Malawi:

Green Impact Technologies
Kumudzi Kuwale
SolarWorks!
Yellow Solar Power
Wala Clean Energy

Mozambique:

Pamoja Cleantech
Gommyr Power

Namibia:

Doranova
iDeal-x
Taatisolar

Regional:

Agsol
ASOBO Kenya
Phaesun
Tespac
Villageboom

Rwanda:

East African Power
Empower New Energy
Empowering Villages
OffGridBox
Water Access Rwanda

South Africa:

iLive
Plentify
Talbot
Witech Africa

Seychelles:

Swimsol

Tanzania:

ENdep
HannyG Investment
Jaza Energy
Millennium Engineers
Mobility for Africa
Solar Sister

Uganda:

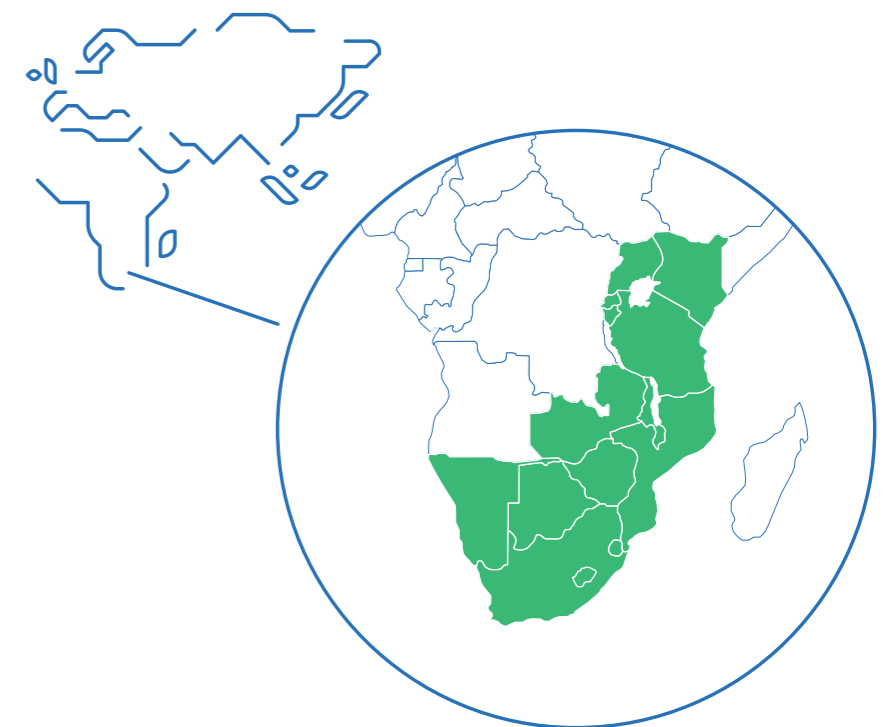
EnerGrow
Engie-Equatorial
Greenlight Planet
Mandulis Energy
OneLamp
The Waste Transformers
VAC Solar
Zembo

Zambia:

SupaMoto
Mphepo Power
Solarworx
WidEnergy Africa

Zimbabwe:

Celfre Energy
Clamore Solar
Powerlive
Techno Plus
Zonful Energy



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