



Southern Africa Region AFRETEP Workshop presentation

By
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*“Examples of Appropriate Financial
Schemes for RE Projects in sub-Saharan
Africa (Uganda, Rwanda & Tanzania)”*

Cape Town, South Africa
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Co-financing Options:

- Public/Private partnership with existing Rural Energy Funds (REFs)
- Cooperative arrangement with Private Sector Funding agencies
- Grant financing with private funds and/or other donors
- Establishment of a revolving loan fund



Examples of Transaction Support Instruments:

- Grants
- Subsidies
- Loans
- Leases
- Guarantees
- Equity

TRANSACTION TYPES:

Consumer End-Use Financing:

e.g.

- Connection Financing
- Lighting etc..

Energy Enterprise Support:

- Franchising
- LPG distribution
- Service delivery..etc..

Energy for Productive Use:

- Irrigation
- Refrigeration
- Pumping
- Lighting
- Grinding
- Milling...etc

Service / Supply / Production:

- Small hydro
- Village energy services...etc

Energy Efficiency:

- Appliance replacement
- Efficient Pump sets...etc..

Example of Project Financing:

Deal Structure

INCEPTION	INJECTION OF PROJECT FUNDS	PROJECT OPERATING
<p>Seed Investment: \$1m Project Cost \$Xm</p>	<p>Investment: \$Z m Project Value \$X+Ym</p>	<p>Investor 49% Common Shares 85% Preference Shares</p>
<p>Seed Investor Minority Common Shares Majority Preference Shares</p>	<p>Investors 85% Common Shares</p>	
<p>Developer Team Majority Common Shares Minority Preference Shares</p>	<p>Seed Investor 5% Common Shares</p>	<p>Developer Team 51% Common Shares 15% Preference Shares</p>
<p>Developer Team Majority Common Shares Minority Preference Shares</p>	<p>Developer 10% of Common Shares</p>	
<ul style="list-style-type: none"> Developer Team has project control. Seed Investor has financial control. 	<ul style="list-style-type: none"> Y is the value addition to Project. Seed Investor gets Seed Capital back Developer Team and Seed Investor has Tag Along and Drag Along rights Developer Team has management control. 	<ul style="list-style-type: none"> Developer Team has Tag along rights



ELIGIBLE BENEFICIARIES:

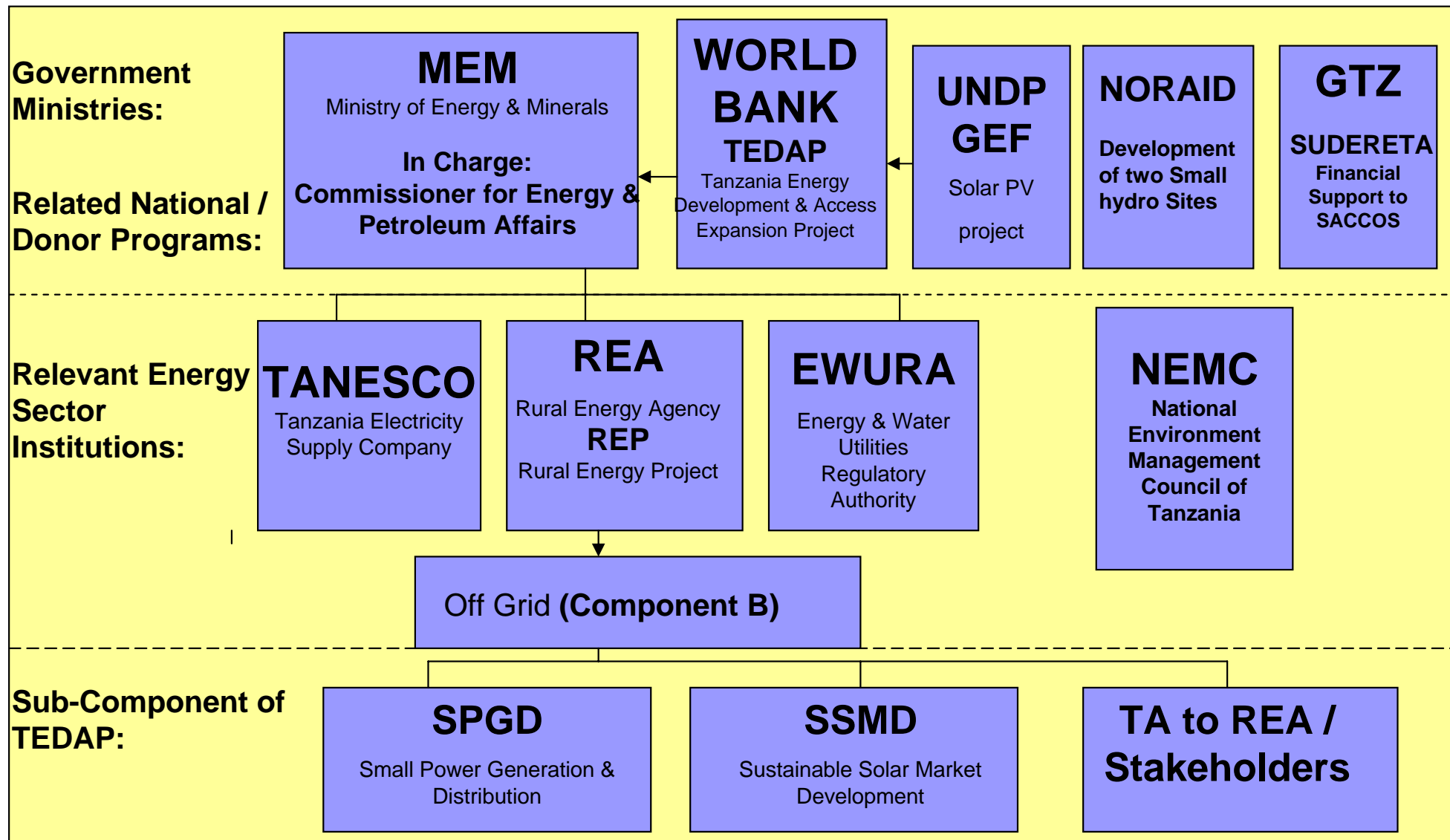
- Suppliers
- Production Facility Investors
- Financial Intermediaries
- Saving and Credit Co-operatives (SACCOs)



TANZANIA

- National Energy Project:
“Tanzania Energy Development
and Access Expansion Project
(TEDAP)”

Tanzania Energy Institutional Structure

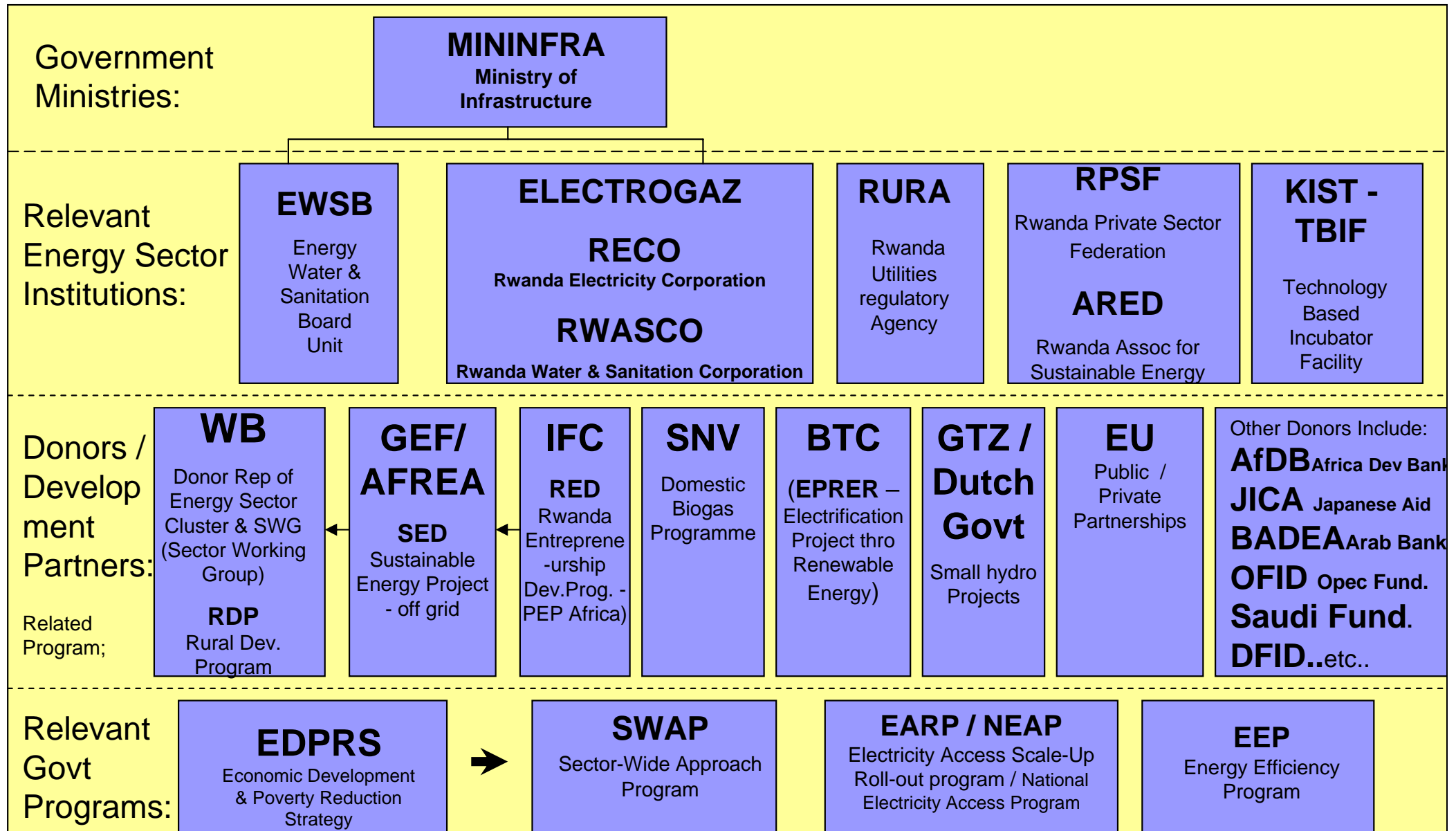




RWANDA

- National Energy Project:
“Rwanda Electricity Access Scale-Up and Sector Wide Approach (SWAP) Development Project”

Rwanda Energy Institutional Structure

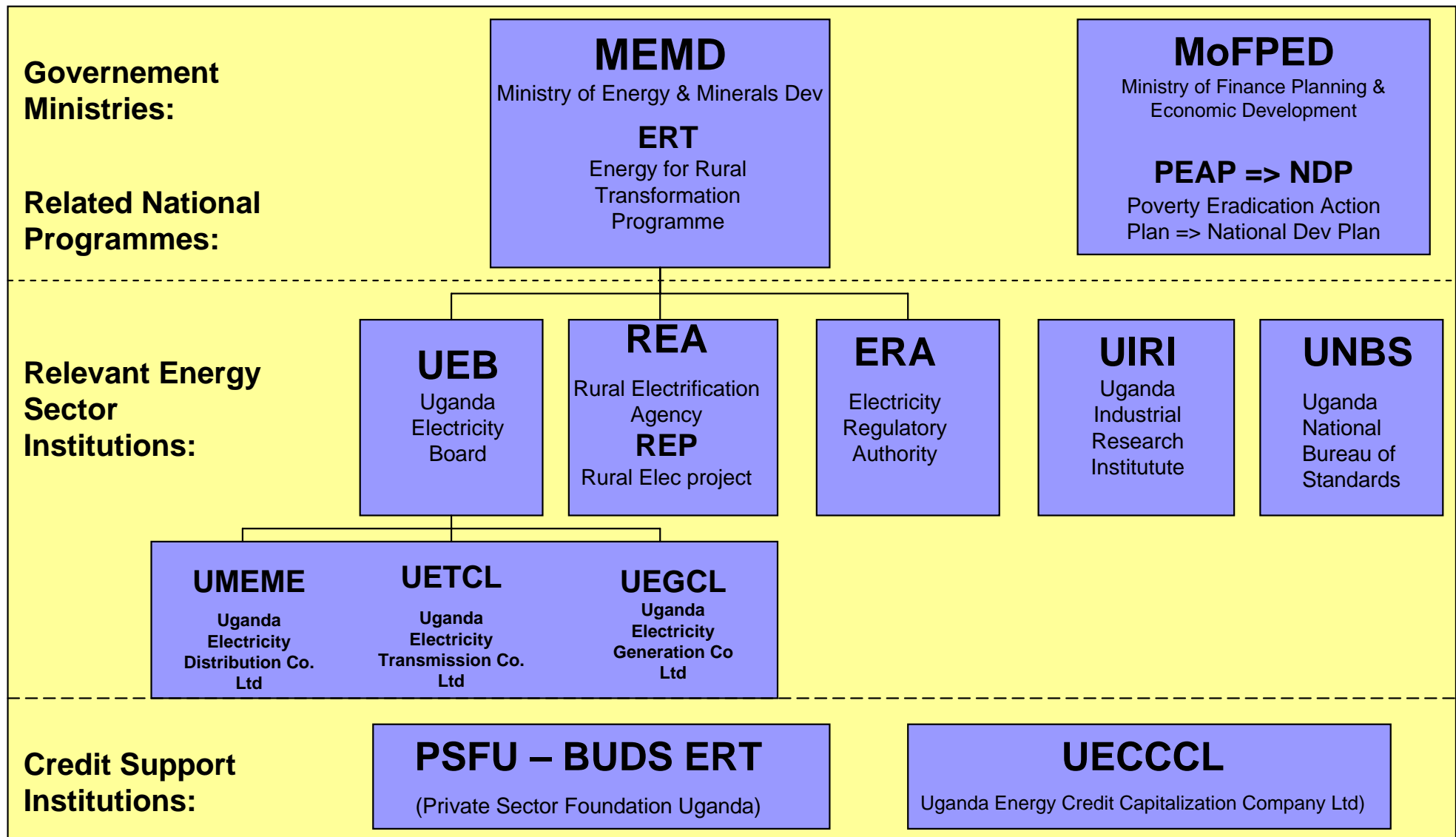




UGANDA

- National Energy Project
“Energy for Rural Transformation II
Program”

Uganda Energy Institutional Structure





Thank you for your attention!

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