



RENEWABLE ENERGY PERFORMANCE PLATFORM

PROJECT AT-A-GLANCE

The Renewable Energy Performance Platform supports private sector renewable energy projects in sub-Saharan Africa that are typically between 1MW and 25MW (but can be up to 50MW for wind) and either grid-connected, off-grid or a combination of both. REPP assists developers from inception to construction, providing a broad range of financing products and support tailored to suit each developer's unique set of circumstances and needs.

GEOGRAPHICAL SCOPE

SUB-SAHARAN AFRICA



STATUS **ACTIVE**

STARTING DATE 2015 CLOSING DATE 2020

TOTAL PROJECT COST

 **£ 48 million**

BENEFICIARY

Renewable Energy Project Developers

DONORS

UK Aid / Department for Business, Energy and Industrial Strategy

TEAM LEADER

Ghita Hannane

IMPLEMENTING PARTNERS


European Investment Bank, CAMCO

PARTNERS

Risk Mitigation instrumentation providers, Long Term financiers; including African Trade Insurance Agency, West African Development Bank, EDFI, FINNFUND, Dutch Development Bank, Global Climate Partnership Fund

KEY ACHIEVEMENTS TO DATE

 **2.7m** people with first-time or improved energy access

 **>5m tCO₂e** avoided over project lifespans*

 **115MW** total planned capacity

 **\$7.3m** committed capital from REPP

 **10** contracted projects

 **15** projects in advanced phases of selection process

 **6** technologies employed



THE CHALLENGE

Smaller renewable energy projects make sense in many parts of Africa because they are less demanding on grid infrastructure, put less stress on national balance sheets, have considerable local benefits, and can be completed more quickly than larger projects.

REPP seeks to address a number of market barriers to achieving this potential including:

- The lack of supply of bankable projects despite sufficient funding available. Key reasons for this are lack of developer capacity; lack of early stage development equity; and, for smaller projects, lack of access to risk mitigation instruments and long-term debt typically available to larger projects; and
- In many countries, tariffs are either not cost reflective or are not high enough to make smaller project feasible.

WHAT WE DO

The Renewable Energy Performance Platform has four main instruments:

01

Technical Assistance

REPP supports selected project developers during the development phase to reach financial close. This support is to cover for developer's third-party development expenses and is provided in the form of a reimbursable grant (soft loan) that is repayable, with pricing, if the project reaches financial close.

02

Access to Risk Mitigation Instruments

REPP supports Project Companies to access a variety of risk mitigation instruments in order to decrease their Levelised Cost of Electricity and thereby improve their financial viability. REPP developed partnership for instance with: ATI, GuarantCo, OPIC. REPP Partners' response to the platform has been positive. They see REPP as filling a number of functions, including assisting projects that are "too early" for them; helping to structure finance into supported projects and ultimately participate to develop in-country enabling environment.

03

Long-term financing

REPP supports Project Companies to access long-term financing on commercial terms, either provided by REPP partners and other financial institutions, both private and public. REPP also encourages debt and risk mitigation instrument providers to coordinate their approval and due diligence requirements to simplify the process for developers.

04

Gap financing

REPP helps to bring projects to financial close using a range of financing structures, including bridge financing, construction loans, equity and equity conversion options, results-based financing, results-based loans for mini-grid rollout, subordinated debt, trade finance for Solar Home System, and working capital loans.

THE UNITED NATIONS ENVIRONMENT PROGRAMME (UNEP)'S ROLE



REPP platform was initiated by the European Investment Bank and UNEP under the auspice of SE4ALL. The intervention of UNEP has allowed to undergo the required activities for the setup of the Platform; including a market study, structuring of the platform; and designing the REPP products. The operationalization of the REPP platform was critical in the fundraising effort. As such, having a structured platform with an investable project pipeline provided the necessary confidence to attract donor funding. REPP was launched in November 2015, thanks to contribution of GBP 48.7 million from the UK Aid. A significant leverage, compared to the initial UNEP contribution for the structuring of the platform (\$541 K funded by NORAD).

