DEBT FINANCING MINI-GRIDS

ESEF 2019
SunFunder overview

DEBT FINANCING FOR DISTRIBUTED SOLAR

Public and private debt capital

Emerging market solar loans

$135m unlocked

6m people impacted

$82m solar loans closed

46 solar borrowers

531k tCO2 cut annually

“SunFunder is a solar finance business driving a global energy transformation to solve energy access and climate change”
Customers and loan types

**Pico-solar**
0-10W solar: lighting and mobile phone charging

**Solar home systems**
0W–1kW solar: multiple lights, television, other appliances

**C&I and Income Generating Assets**
1kW–2MW solar: multiple homes, productive use, C&I projects

**Distributors / Suppliers**

**Pay-as-you-go solar**

**Commercial / EPC / Productive Use**

**Corporate loans for working capital and inventory**

**Pay-as-you-go receivables and structured finance**

**Project/construction finance**
Portfolio

Track record since 2012
as of 30 Sep 2019

Total cumulative closed
(August 2012 – Sep 2019)
as % of total principal amount

$82m Cumulative solar loans closed
65 Solar debt facilities
46 Solar borrowers

$82m

Working Capital 83%
Inventory 2%
Project Finance 4%
Structured Finance 11%

SHS 81%
C&I 15%
IGA 4%

East Africa 57%
India 21%
West Africa 13%
Southern Africa 3%
Pacific & Other 6%

Note: SHS = solar home systems, IGA = Income Generating Assets, C&I = commercial & industrial
The developer investment scene

INVESTMENT IN MINI-GRID COMPANIES, 2010-18

- 10 companies had raised $190m by the end of 2018 (77% of sector investment)
- Only 12% of total investment into the energy access sector
- 83% of it was equity – scarcity of debt

Source: “Strategic investments in off grid energy access,” WoodMac, February 2019
## Financing companies and projects

**UNLOCKING PRIVATE SECTOR CAPITAL**

- June 2019 investor position paper on capital for MGs in Africa
- “MGs have a role to play, we have the capital, we need the RBF”
- 12 investors representing $2bn+ AUM
- SunFunder alongside Triodos, responsAbility, ENGIE Powercorner, CrossBoundary and others

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### Funding requirements over the lifetime of a mini-grid

<table>
<thead>
<tr>
<th>Sources</th>
<th>Corporate Operations</th>
<th>Construction</th>
<th>Long-Term Project Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>Triodos Investment Management</td>
<td>Hoëdah Capital Partners</td>
<td>responsAbility</td>
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<td>Debt</td>
<td>responsAbility</td>
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