

Delta 40

Delta40

A New Venture Studio

Investing in Africa's Top Entrepreneurs To
Build Life-Changing Climate Ventures



Insights & Best Practices

from the
Energy Access Relief Fund (EARF)

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Energy Access Companies in Africa have played a major role in providing clean energy access to low-income and climate-vulnerable communities



10.5M +
businesses are using solar energy kits to increase income & productivity



30M
People have gained energy access from off-grid solutions since 2013



Electricity coverage in Africa has increased from **42% to 56%** in seven years



The Energy Access Sector has shifted Africa towards a renewable future: Off-grid solar solutions have the potential to provide clean, affordable electricity to more than 65% of sub-Saharan Africans by 2030



The COVID-19 pandemic led to significant economic challenges for Energy Access companies across Africa.



2 out of 3 Businesses Reported a **75%** Drop in Sales

87% of Businesses Experienced Financial Challenges

54% drop in the ability to access goods and supply chains

4 out of 5 startups had to reduce their workforce

77% of potential EARF borrowers required emergency financial assistance to stay afloat during the pandemic.

EARF was a Partnership of 16 Governments, Foundations and Investors

Key Investor



GREEN CLIMATE FUND

Lead



Facility Manager



Energy Access Relief Fund



Fund size:

\$90M million (87.6M deployed)



Type of Funding:

Loans (Concessional Debt)



Ticket Size:

\$50K to \$2.5M



Avg period from start of diligence:

7-9 weeks



Geographic Coverage:

22 countries in SS Africa & Asia



Companies supported:

97 Micro, Small & Medium Enterprises



Climate Impact:

1.3MT of CO2 Emissions Avoided

EARF Case Study - Easy Solar



Easy Solar
Pay-as-you-go Solar
Energy Solutions

Sierra Leone

Amount: 800,000 USD
Interest: 5%
Term: 3 years, 1 grace
Disbursed: May 2021

Impact

- Flexible capital to ensure business continuity
- Ability to buy inventory and pay manufacturers
- 80% sales and revenue growth through 500 agents
- Continued customer service and product repairs
- Employee retention for 280 FTE
- Continued ESG Investment

Challenges the company faced

- USD loan in time of currency depreciation
- Timing
- Amount of capital

EARF's impact



34k

Tons of CO2
emissions averted
(2022)



5.27

MW installed



11,700

Green jobs
maintained



2,760,412

Lives impacted



16

Woman-led
companies

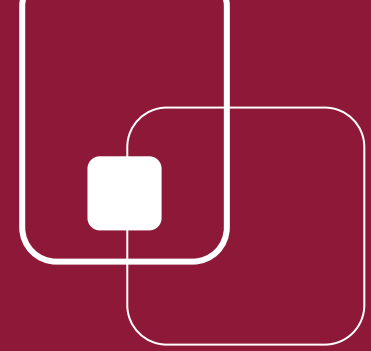
Insights From EARF

- **Innovation and flexibility needed - from both GPs and LPs**
 - **Process and automation can drive speed of diligence and deployment**
 - **Meet companies where they are**
 - **Transparency and equity are key when deploying high risk capital during crisis**
 - **Need for efficient deployment & local currency based relief facilities where possible**
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- **Beyond COVID relief, facilities like EARF have helped address economic and political challenges**
 - **Blended capital facilities can accelerate climate and energy access goals in good times as well as crisis**

Whats Next?

What best practices and insights can we take from EARF to design effective blended capital facilities in times of crisis and more broadly to help energy access companies scale in good times as well?

- Design a standard blended capital facility that is ready to be deployed quickly for next crisis or to scale strong companies
- Offer local currency relief funds or affordable hedging facilities
- Use best practices from EARF to design new blended capital facilities to drive more scale in good times
- *What other ideas does the panel or audience have?*





**Thank
You**