

Presented by:



The Course:

Understanding PPP models and blended finance instruments for off-grid energy with case studies from GreenMax Capital Advisors

Key outcomes:

- Understanding the design thinking process that went into the creation of Green Street Africa and G4A First Loss Facility i.e. the What, the How, and the Why.
- How do each of the models work? – i.e. different moving pieces and parties to the structure.
- Lessons learnt so far in the fundraising, partnership building etc. How can people partner and how can others build on this i.e. any other structures to be explored?

Context:

While there's been considerable growth in off-grid solutions in East Africa and other regions over the last decade, well-organized business models and risk appropriate financing structures are needed to unlock more funding to the ever growing pipeline of projects. There are a number of key financing barriers that off-grid companies face in their efforts to electrify the 600 million people in Africa who need it include: collateral requirements, local financial institutions' lack of know-how on the sector and risk averseness, among other challenges.

One of the proposed solutions for the ecosystem to achieve its SDG 7 targets by 2030 is bespoke risk mitigation instruments for the off-grid sector. This masterclass will examine two blended finance structures being launched by GreenMax Capital Group and walk through the design of the facilities, the flow of the structures, and the key considerations that were incorporated. Participants interested in the energy access financing spectrum will better understand the use of blended finance and the practicalities of private-public partnership models for off-grid solutions.



What to Expect:

The session is designed as a virtual/online webinar with 35 – 50 people participating, and many more watching it via livestream. It will be a curated session led by Intellectap experts and GreenMax Capital Advisors who will share their perspectives on the topic. The session will have a structured master class format allowing the audience to ask questions. This also includes walk through slides explaining the process flow of the products, and structure.

Register here: <https://events.sankalpforum.com/event/2c4a283c-dbb3-4d4c-a65a-ad7aa6486cd7/summary>

Questions: arielle.molino@intellectap.net

Blended Finance Master Class

Instructors



Clifford J. Aron, Principal, GreenMax Capital Group

Cliff has been an energy finance professional for 40 years, with a diverse career as a business entrepreneur and clean energy policy specialist. He is a leading advisor to global investors on sustainable energy investments and has advised dozens of private investors on solar, geothermal, hydro, biomass and wind power investments in emerging markets across Europe, Africa, Latin America and Asia. During the 2000s Cliff managed first loss facilities placed with banks in Hungary, Romania and Ukraine that spurred the growth of commercial lending for energy efficiency and serves as the inspiration for G4A. His work on Super ESCO models dating back to the 1980s in New York State is the basis for GreenStreet Africa.



Sunkanmi Olowo, Head of Origination - G4A

Sunkanmi is a seasoned SME banking professional with 20 years of experience with Nigerian banks including Ecobank, Sterling Bank, Societe Generale and Industrial Bank. He is highly experienced in project finance, risk management, transaction structuring and banking operations. While serving as the Head of Ecobank's SME Banking Group, he established the bank's RE desk – the first of such at a major Nigerian commercial bank. At GreenMax he has managed the development phase of the Green4Access First Loss Facility and now serves as Head of Origination, responsible for developing new Cash Deposit Facilities with partner FIs.



Ifechukwude (Chude) Uwajeh, Deputy Director - GreenStreet Africa

Chude has 10 years experience as an energy specialist and process engineer with on-grid and off-grid power infrastructure development expertise in project portfolios up to US \$1.2 billion. Ifechukwude has extensive experience in stakeholder management, having worked with key members of government agencies, international financiers, EPC contractors, and private equity parties. At GreenMax he has led engagements raising capital for mini grid developers, PAYG solar companies, C&I solar platforms and agricultural productive use entrepreneurs across Sub Saharan Africa



Koye Alaba, Chief Financial Analyst – G4A

Koye is a renewable energy finance professional with 8 years of experience. He currently leads financial and market analysis at GreenMax to support various transaction advisory and consulting engagements. He has led the market sizing analysis for all stand alone solar sub-segments for the Regional Off Grid Electrification Program in 19 countries across West and Central Africa and is responsible for all financial modeling for the Green4Access First Loss Facility. Prior to GreenMax, Koye was an Analyst at Auriga Capital Management, where he provided research/analysis support for RE and cleantech investments

The Fund Manager: GreenMax Capital Group



- GreenMax Capital Advisors (“GreenMax”) is part of the GreenMax Capital Group, a group of international clean energy investment advisory and management consulting firms established in 1994. GreenMax supports project developers, investors, financial institutions, donors and governments in the analysis, preparation and implementation of a broad range of clean energy investments, policies and regulations. GreenMax has assisted many of the most recognized private investors to establish and execute their sustainable energy investment strategies, including market assessments, strategic planning and mergers/acquisitions. Our recent assignments include completing the market assessment for the Regional Electrification Program (ROGEP) being launched by the World Bank and ECREEE in 19 countries of West Africa. Much of the impetus for the G4A comes from intelligence gained through this work. GreenMax presently has operational offices throughout Africa: in Lagos, Kigali, Nairobi, and Lusaka.
- GreenMax has also supported regional commercial lenders to develop and roll out new lending products targeting renewable energy and energy efficiency investments and has helped many development financial institutions (“DFIs”) plan and launch market-transforming sustainable energy finance initiatives. GreenMax’s DFI clients include the World Bank, IFC, IADB, EBRD, EIB, UNDP, USTDA, US OPIC, AfDB, and USAID.

The Blended Finance Instruments



Green 4 Access First Loss Facility (G4A) is a \$50m platform designed to support local FIs to ramp up lending in the off grid space by providing a powerful risk mitigation instrument and robust Technical Assistance. G4A will place a physical cash reserve on deposit with partner banks to cover 20% of the first losses across portfolios of energy access loans. It means that G4A covers 100% of the first 20% of loss, a high enough level of protection to encourage lenders to enter a new business area which they perceive to be very high risk.



GreenStreet Africa is a development company (DevCo) which aims to aggregate large portfolios of distributed generation projects at public healthcare and education facilities for implementation by private IPPs/ESCOs and financing through local capital markets. GreenStreet Africa enters into PPPs with government agencies to implement this approach, which is modeled on a Super ESCO structure. A pilot portfolio is under development in Nigeria with the Rural Electrification Agency (REA) that seeks to install solar/hybrid generation at 6 federally owned hospitals with InfraCredit underwriting a local currency private placement bond issue to finance the group of projects.