



An introduction to the

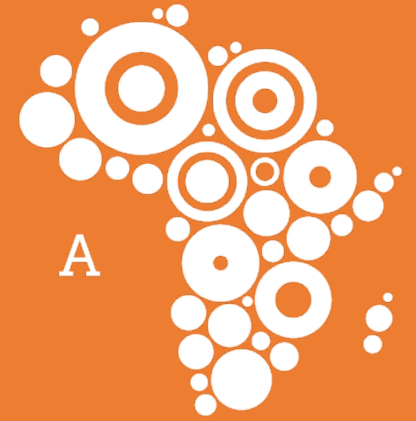
# African Minigrid Developers Association

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# About AMDA

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## Origin

The Africa Minigrid Developers Association was created by minigrid developers and donors to improve political and financial understanding of, and support for, minigrids and the rural communities they serve.

## Mandate and value addition

Provide guidance to financiers and policymakers on creating the best environment to reach clean energy access goals through data, evidence and expertise.

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# AMDA Minigrids today



Cost per connection 2018: \$938

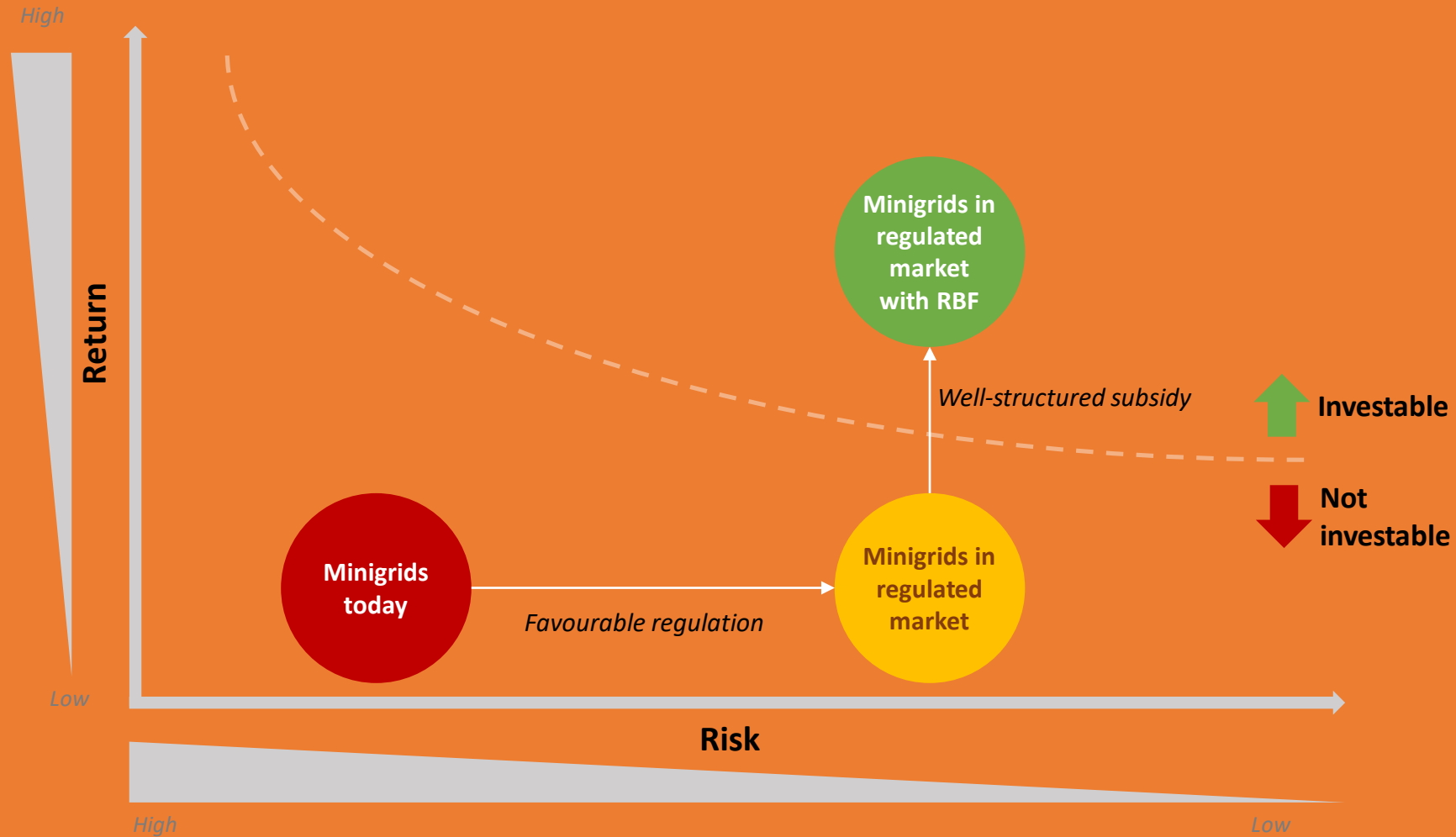
Leveraging of public investment: 7 : 1

*Only 14% of AMDA members' capital raised has been grants – the rest has been private investment in rural electrification.*

# Two interventions needed for private capital to come in:

- 1) favourable regulation and
- 2) well-structured subsidy

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**RBF IS PROVEN TO UNLOCK CAPITAL AND SCALE  
CRITICAL NEW INDUSTRIES.**

# AMDA'S SMART RBF



Subsidy is fixed and available after installation, eligibility is clear.

Simple

Timely

Measureable

Funds paid after measurable outcome achieved.

Repeatable

Africa-wide

Increases speed and scale of energy delivery

Improves rate of deployment and reduces application and reporting timing and costs

Truly results-based – no funding until the connection has been made

Specifically scale-up subsidy, so developers need a technically-sound, operating site to pre-qualify

SMART RBF aims to leverage smart technology to reduce costs and provide transparency

Simple verification & payment procedures improve funding predictability



# WHY DO WE NEED THIS?

Rural Energy Access requires subsidy. *Universal Electrification has never been achieved without it.*

Current Subsidies in Africa are slow, uncertain, & non-repeating – which deters private investment

Predictability on how & when funds will be deployed provides confidence to investors

Concessional funds need to be:

- available at scale,
- reliable and consistent in-order to leverage the 2bl. in commercial capital that is currently available

# Simplicity and Subsidy Amount

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SMART RBF will start at \$500 per connection – based on prior amounts & reflective of modeling by RBF Task Force.

Amount will be modified as market data improves (economies of scale, Company IRR's, Tariff Pricing & regulatory risk)

This imperfect amount will be a smaller % of CAPEX for some sites and larger for others, but its consistency is important for simplicity and scale

As more sites are built, improved data will allow complexity and refinement to promote minigrids in even the hardest to reach areas.

Cost reduction will be built in with pre-scheduled reductions to create discipline but allow developers time to refine business models



BIG STORY 10 JUNE 10, 2019 / 11:05 AM / 13 DAYS

## Subsidize solar in Africa, investors

Megan Rowling

BARCELONA (Thomson Reuters) — While governments may not provide electric power to hundreds of millions of people, especially in Africa, but will not do so without subsidies. Subsidized, a group of investors say.

Twelve energy and impact investors say they will invest about 100 mini-grids built or in development in Africa for them.

“The capital is there and waiting to invest, but there is a missing piece,” said Nico Tyabji, director of strategic partnerships with SunFunder, which provides debt financing for solar enterprises.



AFRICA LEADS  
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## African Mini-Grids Community of Practice Meeting Berlin, Germany

### Communiqué

**Berlin, 11 June 2019** - Today at the 5<sup>th</sup> African LEADS Partnership Mini-Grids Community of Practice Meeting at the Global NDC Conference, a group of officials from 10 African countries call on their governments, the donor community, philanthropists, and the private sector to work in a collaborative and complementary manner to accelerate the deployment of clean, renewable energy, particularly through mini-grids.

We affirm that access to clean, reliable energy is foundational to meeting Nationally Determined Contributions (NDCs), adapting to a rapidly changing climate, and achieving domestic social and economic development priorities. The members of the LEADS Global Partnership's African Minigrid Community of Practice are committed to working together to integrate clean energy microgrids as core elements of our electrification and development strategies.

We, the representatives from Côte d'Ivoire, Ghana, Kenya, Liberia, Nigeria, Zambia, Uganda, Zimbabwe, Tanzania, and Cameroon in collaboration with other members of the Africa Mini-Grids Community of Practice call on a wide group of international and national stakeholders to renew their commitment to deploying clean energy access to unlock the socio-economic potential of roughly 600 million people on the continent.

# What's next? Let us be a resource to you

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- Data provision to support governments, donors and others working on market and deal facilitation
- Working with you and your consultants on integrated planning to achieve rural dev (not only electrification) goals
- Views / advisory on regulation and policy implications for private sector
- Collaboration on developing methods to raise private finance
- Growing the load



AMDA 