

Summary of the Meeting of the Energy Access and Finance Committee Co-Chairs:

March 10, SE4All office, Vienna

Chair of Meeting: Mohinder Gulati, COO, SE4All GFT

Participants: See annex 1

Objectives of the meeting:

To identify the specific recommendations from the Finance and Energy Access Committee reports that can be further developed or supported by SE4All that will result in finance solutions to scale energy access.

Introduction

The SRSG welcomed the participants and complimented them for the progress they are making, opened the meeting and laid out three key issues:

- 1) Country Level Action: Action Agendas and Investment Prospectuses are currently being prepared in 24 African countries. A €14 million technical assistance facility was launched by the EU to help implement SE4All. Given that there are various simultaneous efforts ongoing in Africa and elsewhere, transparency is crucial: all parties involved need to make information available so that we can have a clear picture on who is doing what and on where they are doing it.
- 2) Base-of-Pyramid market: There are two new important initiatives that address the Base of the Pyramid segment of customers: (a) ElectriFI and (b) the DFID “Green Mini-Grids Africa Facility” both bring considerable additional resources to the activities designed to meet objectives of SE4All. The questions before the Committees are: How does this translate into action? Where does the money go? How can finance scale up?
- 3) Finance: How to raise additional US\$100 billion a year? The Bank of America pledged the first billion to raise \$10 billion. How to leverage more? The NASDAQ has offered to host an SE4All event in May during the SE4All Forum.

Progress since the last meeting of Committee Co-Chairs on 24 November 2014

Considerable progress has been achieved on the actions agreed in the last meeting. Mohinder Gulati (MG) briefed the participants on the current status of actions:

Access

- 1) The Energy Access Market Accelerator has been further developed by Energy+ Technical Working Group and Accenture Development Partnerships and is being prepared to be launched in 2015, probably in Tanzania.
- 2) Two HIOs that are closely related to access, Energy, Women's and Children's Health and Clean Energy Minigrids, are making impressive progress.
- 3) ElectriFi – a catalytic fund for de-risking and providing equity/subordinated debt-- to be launched during the SE4All Forum in May
- 4) A meeting of philanthropic foundations was convened in February 2015 in New York with the objective to explore possibilities for a more substantive engagement of these foundations with SE4All.

Finance

The Finance Committee Report has been presented at several forums and received wide acclamation. We received an invitation from the Finance for Development Working Group to prepare for a possible presentation at the International Conference on Financing for Development in Addis Ababa in July 2015. A high-level meeting of financial sector players is proposed to be held at the margins of the SE4All Forum

Next steps regarding the Committee Reports:

- Integration/harmonization of the reports
- Finalizing the reports
- How to disseminate these reports to the multiple audiences to whom many of the recommendations are addressed for action

Deliverables for the Advisory Board meeting:

Most of the participants asked about the expectations for the Advisory Board in May 2015 since the work of the Committees should be focused on clearly identified deliverables for the Advisory Board meeting. The SRSG noted that it is 3 years since Rio+20 and it is time to show the concrete actions that have happened, as well as the vision for how the SE4All objectives can be achieved by 2030. In addition to the adoption of the Access and the Finance reports by the Advisory Board, we want to demonstrate noticeable progress in four areas:

- 1) Leveraging Finance: Bank of America pledged US\$1 billion to leverage US\$10 billion, with the hope to scale up to US\$ 20 to 30 billion.
- 2) Country Action: Action Agendas and Investment Prospectuses are developed. An additional 15-20 MoUs are expected to be signed at the SE4All Forum.
- 3) Base of the Pyramid initiatives: ElectriFi (to be launched at the SE4all Forum) and the DfID “Green Mini-Grids Africa Facility” will leverage additional initiatives and impact. How these initiatives can be scaled should be presented.

4) Project Development and Aggregation vehicles

A discussion followed on what can be done, and can be recommended to feed into these deliverables:

Utilities:

In order to achieve scale, speed, and sustainability in improving access, utilities have to play an important role as service providers as well as facilitators of beyond the grid solutions and integration of renewables into the grid. Therefore it is important to make sure to have strong utilities, which requires focus on energy sector reform, and policy and regulatory development.

It was suggested to choose 5 of the countries where action agendas or investment prospectuses are under development and to show what success could look like. Presenting success stories could help to create competition among the countries. Utilities require proper planning and often governance reform. The World Bank agreed to write a short paper on reforms needed in power utilities and the policy and regulatory environments to improve their performance and financial viability. Recommendations on utilities need to be added to the reports.

Aggregation:

How can small pilots be taken to scale? Reema invited participants to come to visit SEWA and see how they work on the bottom-up approach. Aggregation could be the solution but it needs examples. Aggregation includes all aspects (capacity, policy, finance). Reference was made to the UNEP Seed Capital Access Facility, and its exploration of developing an SME window, and to the Renewable Energy Performance Platform, as examples of aggregation and development vehicles. SEWA suggested that it would prepare a framework for the aggregator for community organizations.

Green Climate Fund (GCF):

The GCF has recently mobilized U\$ 10.2 billion. The GCF will have a board meeting in April. How can SE4All tap into this opportunity? Abyd Karmlı (BoA) is a private sector representative to the GCF. The GCF is now establishing the criteria for decisions on applications. An SME window is under consideration. What criteria does SE4All need? It was noted that the GCF Board has discussed gender equality as a criteria.

A strategic engagement by SE4All with the GCF is recommended. It was suggested to invite them to the Forum in May and provide a prominent platform to share their program and demonstrate linkage with SE4All.

High Impact Opportunities (HIOs):

How can the HIOs (e.g. Clean Mini Grids, Gas Flaring, Biofuels, Women and Children's Health) be brought into the country action process? How to ensure that their work flows

into the Action Agendas? How can they assist in the implementation of the AAs and IPs? This is included in the discussions of work stream 1 of the Access Committee, led by Daniel Schroth of the AfrDB.

ElectriFI:

The European Commission will organise a meeting on ElectriFI in April 2015. It was considered to have it back to back with the Access Committee meeting, which is scheduled for April 23-24 in Vienna. FMO (Netherlands) is working on a concept note for the meeting. The Alliance for Rural Electrification (ARE) carried out a study on advantages of blending. Two problems are highlighted in the results of the study: project preparation and entrepreneur bankability; access to bank loans and a stock of grant money are needed. ElectriFI is designed to be a platform on which other partners and programs engage, leveraging resources and impact. It was emphasized that ElectriFI does not need to be branded as an EU initiative, but rather it is open to include the active participation of interested institutions. There was consensus that it will be launched with partners in New York during the SE4All Forum as a contribution to SE4All. A revised version of ElectriFI will be circulated in advance of the April 24 meeting. ElectriFI will also consider earmarking funding for projects that promote opportunities for women.

Information Sharing/Project Development Platforms

Renewable energy technology (RET) projects often face difficulties in demonstrating their bankability to funding institutions, in part because of a lack of information about the project development process and funding options for renewables. IRENA's RET Project Development Guidelines Initiative aims to help project developers during the implementation of renewable energy projects. IRENA is also advancing two related initiatives, The Project Navigator and the Project Facilitation Platform. Compatibility with the SE4All Collaboration Platform will be explored. The IADB's proposed Project Exchange concept, which would be matchmaking for smaller scale RE project developers and investors, was also introduced.

It was agreed that there is a need to map the various project development and aggregation tools and platforms to maximize resources and impact. Aggregation approaches includes the aggregation of capital, tools and deals.

Access report:

It was proposed that the committee update the June 2014 report recommendations and add more actionable recommendations. The more specific recommendations resulting from the work streams should feed into the expected deliverables for the Advisory Board meeting in May. Further it should be clear to whom the recommendations are addressed to. (i.e. to governments, to banks, to utilities, to SE4All, etc) . It should be kept in mind that the recommendations will be presented to the Advisory Board, so the recommendations should be clear, concrete and actionable so that Advisory Board members will take them up and help to turn them into action.

Finance Report:

The Finance report describes four thematic areas for scaling up finance. However the storyline is constantly moving due to developments in the financial markets. The Finance report was shared with several stakeholders and it will now be updated to reflect their comments. Furthermore, the report will require an update on what has been achieved. The revised version will also take into account the recommendations of other reports, especially the Access Committee Report.

Other items:

- It was noted that the Paris Climate Week will take place at the same time as the SE4All Forum.
- The recent SE4All engagement with the G20 around Policy and Energy Access was highlighted; the G20 will host an Investment Forum on Africa on October 1.
- There may be an energy day in the wings of the COP21 meeting in Paris.
- SE4All, The Rockefeller Foundation and UNF hosted a meeting of foundations in February in New York on New Partnerships for Energy and Development.

The three main outcomes were:

- Recognizing the experience of a number of foundations at the meeting, it was recommended to prepare a report on the catalytic role of philanthropy in energy access. This report would summarize how various foundations have tackled market barriers and explore different pathways to utilize capital and partner in order to expedite universal energy access. Such an assessment could be presented during the SE4All Forum in May, and could serve as a guide for philanthropy that is newly engaging in energy access issues as well as to inform governments on the role philanthropy can play in their countries.
- Among a number of the Foundations present at the meeting, there was a desire to disaggregate the energy access ecosystem in order to identify where their interests and forms of engagement could best be leveraged. This could lead to better alignment of funding as well as new forms of blended capital structures.
- Combining forces in two or three specific countries was recommended, where foundations could leverage each other's program elements to maximize impact and accelerate systemic change.

The EC is planning a European Foundation meeting. Reema Nanavaty suggested also a meeting of Foundations in India.

SUMMARY OF NEXT STEPS

- Committee Reports:

- Integration/harmonization of the reports.
 - Finalize the reports. Each revised version should also take into account the recommendations of the reports of the other Committees.
 - The World Bank agreed to write a concept paper on utilities. Recommendations on utilities need to be added to the reports.
 - Ensure that the reports' recommendations will help us to achieve our objectives by 2030. The recommendations should be clear, concrete and actionable so that Advisory Board members will take them up and help to turn them into action.
- A strategic engagement by SE4All with the GCF is recommended. It was also suggested to invite them to the Forum in May and provide a prominent platform to share their program and demonstrate linkage with SE4All.
- SE4All will host a joint meeting of the Access Committee and ElectriFI to advance engagement of stakeholders in design and funding. ElectriFI will circulate the revised version of the concept to the meeting participants. ElectriFI will also consider earmarking funding for projects that promote opportunities for women.
- Ensure that the IRENA RETGuide will be compatible to and integrated with the SE4All Collaboration Platform. A mapping of project development and aggregation approaches is recommended in order to identify opportunities for collaboration and complementarity.
- SE4All and Foundations
- Facilitate preparation of a report on the catalytic role of philanthropy in energy access and a session on catalytic philanthropy for the May Forum.
 - Combine forces in two or three specific countries where foundations could leverage each other's program elements to maximize impact and accelerate systemic change.
 - The EC is planning a European Foundation meeting. Reema Nanavaty suggested also a meeting of Foundations in India.

Annex 1. The List of Participants

	Organization	Name
Energy Access Committee	Kingdom of Saudi Arabia	Khalid Abuleif
		Albara Tawfiq
	Self Employed Women's Association (SEWA)	Reema Nanavaty
	European Commission	Roberto Ridolfi Claudia Boldrini
Finance Committee	Bank of America Merrill Lynch	Abyd Karmali
	World Bank Group	Malcolm Cosgrove-Davies Richard MacGeorge
	Brazilian Development Bank	Rafael Marchesini
	International Renewable Energy Agency	Aleksi Lumijarvi
SE4ALL	Global Facilitation Team	Kandeh K. Yumkella
		Mohinder Gulati
		Christine Eibs-Singer
		Dominika Zahrer
		Anthony Kamara
		Martin Niemetz
		John Waiselewski