GREEN AFRICA POWER



Background

- Green Africa Power ("GAP") is a fund that has a mandate to invest in renewable energy projects in the least developed countries in Sub-Saharan Africa (DAC I-III)
- EISER Infrastructure Partners is the financial advisor to GAP
- GAP has £121 mln in capital commitments from DFID, BEIS and the Government of Norway
- The fund aims to help African countries reduce their dependence on fossil fuels through diversification into renewable energy
- Following activities covered: greenfield developments, significant capex and conversion of existing power projects

Sectors

- GAP aims to build a diversified portfolio of assets in the following renewable sectors:
  - **Wind**
  - **Solar**
  - **Hydro, tides, waves**
  - **Geothermal heat**
  - **Sustainable biomass** and **biogenic gas** and
  - Certain **waste to energy** and **landfill projects**
- GAP will also consider associated grid infrastructure and local mini grid systems

Investment Strategy

- GAP's objective is to invest in renewable projects which have certain characteristics including:
  - Additionality – project would not go ahead without GAP involvement
  - Private sector involvement – funding must be matched by private sector funding (debt or equity)
  - Developmental aspect – must demonstrate socio-economic and environmental benefits
  - Climate change – project must have positive impact in reducing carbon emissions
- GAP will seek projects that are reasonably well advanced but which cannot reach financial close – so GAP does not take early development risk

Investment Scope

GAP:

- Offers intermediate finance (i.e. subordinated debt or quasi equity), construction finance and contingent lines of credit
- Expects an economic return on investment but financial parameters will be determined on case by case basis
- Provides long tenors which will result in a sustainable levelised cost of energy
- Aims to achieve a sustainable ratio between its financing and commercial bank funding
- Offers financing in all hard currencies and may consider certain local currencies on a case-by-case basis

Advantages of GAP financing

- Ability to provide finance with long tenors, construction finance and contingent lines of credit not readily available on commercial markets
- GAP can structure its finance to allow projects to achieve financial closing
- EISER has a dedicated investment team based in London and Johannesburg

For more information or to contact the EISER team, please email:

GAP@eiserinfrastructure.com

www.greenafricapower.com

www.eiserinfrastructure.com

GAP GREEN AFRICA POWER

EISER Infrastructure