



Entrepreneurial  
Development  
Bank

## ACCESS TO ENERGY FUND – QUICK SCAN

The Access to Energy Fund ('AEF' or 'the Fund') has been established by the Dutch government and FMO to fund private sector projects that create sustainable access to energy services. By providing financing for projects involved in the generation, transmission or distribution of energy, the Fund aims to ultimately connect 2.1 million people in developing countries by 2015. FMO will play a significant role in establishing the necessary conditions required to boost economic development and ultimately alleviate poverty.

The AEF can provide equity financing, subordinated debt/senior loans and it can also selectively play a role in the development of new projects by providing grants which is normally linked to a debt or equity financing from the Fund in the overall project. Furthermore, the AEF can facilitate financing in USD, EUR or local currencies.

Hereunder is a quick check of the initial, yet important criteria that the AEF uses to cast an initial evaluation of its financings:

- AEF investments focus in renewable energy projects in Sub-Saharan Africa. Priority is moreover given to rural electrification projects.
- AEF finances generation, transmission and distribution..
- AEF investments are private sector investments. Under certain circumstances we may consider PPP's.
- Sustainability is an essential criterion for all AEF investments: this includes financial as well as social and environmental sustainability. The project must comply with local law and international guidelines, among others EHS Guidelines and the IFC Performance Standards. A good corporate governance structure will help support the objectives of the project.
- Opportunities should be commercially viable and be accompanied by an investment and business plan supported by good market analyses.
- Sponsors must be committed and have a strong and proven financial performance.
- Management must have demonstrated experience in the sector.
- The developer of the project must have a track record in the industry.
- AEF financing must be additional to other financiers and/or catalyze other investors by taking on a risk position that facilitates other potential financiers.

If you would like to discuss the possibilities in more detail, or would like further information, please feel free to contact us with your questions at [info@fmo.nl](mailto:info@fmo.nl) or.

We look forward to hearing from you.