Early Warning System

FMO-58816

ENERGY ACCESS RELIEF FUND

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Quick Facts

Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Active
Bank Risk Rating	B
Voting Date	2021-08-03
Borrower	Social Investment Managers & Advisors, LLC (SIMA)
Sectors	Energy
Investment Type(s)	Loan
Investment Amount (USD)	$ 5.00 million
Loan Amount (USD)	$ 2.00 million
Project Cost (USD)	$ 5.00 million

Project Description

The Energy Access relief Fund ('EARF") will be a newly created debt fund to provide Covid19 relief funding to Access to Energy Companies (offgrid SHS, clean cooking and Minigrid companies). This fund will be established and managed by Social Investment Managers & Advisors, LLC (SIMA). EARF aims to become a US$100M fund with FMO participating in the first close of ~US$35-40M, together with multiple stakeholders.

The EARF aims to address two main barriers: (1) offer liquidity to preserve and support the access to affordable, reliable, sustainable and modern energy for all and (2) help stabilize the energy access sector by providing security for local clean energy jobs.

Lack of energy and financial access to the Bottom of the Pyramid (BoP) and businesses continues to hold back social and economic development in (particularly) SSA. Today, the impact of Covid19 in LDC countries could jeopardise the progress made so far towards achieving Sustainable Development Goal 7 of Affordable and Clean Energy. This fund aims at protecting this progress by contributing to a positive economic, social and environmental impact, while providing the much needed relief capital today.

ENVIRONMENTAL AND SOCIAL RATIONALE

This transaction is labelled as E&S risk category B. The fund focuses primarily on companies providing Access to Energy (offgrid SHS and minigrids) to the Bottom of the Pyramid. The fund has a well-defined E&S policy, that aligns to IFC PS and will not undertake projects classified as E&S category A.

Investment Description

- Netherlands Development Finance Company (FMO)

Contact Information

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ACCESS TO INFORMATION

As part of FMO's ex-ante disclosure (disclosure of transactions before contracting), you can send requests or questions for additional information to: disclosure@fmo.nl

ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW). A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: https://www.fmo.nl/independent-complaints-mechanism

Bank Documents

- Project Information Document