

Press Release

CEI Africa awards a total of USD 7.3M in RBF grants to 3 Kenyan GMG developers

Nairobi, Kenya, 31 May 2023



Stichting Clean Energy and Energy Inclusion for Africa (CEI Africa) announced today its intention to award three results-based financing (RBF) grants for a total of up to USD 7.3M to Kenyan green mini grid (GMG) developers, Renewvia, Kudura and PowerHive, for the creation of approximately 21,110 green mini grid connections in underserved communities in northern and south-western Kenya.

Renewvia Energy Kenya Ltd (Renewvia), was awarded an RBF grant of up to USD 4.2M to unlock approximately 14,000 new connections, providing electricity access to a network of refugee camps in the area of Kakuma, a town in the far northern region of Turkana County. The resulting project, an expansion of their existing generation plant and power lines, promises to be the largest solar mini grid for any community in East Africa, serving a total of 19,000 customers from a 2.4 MW solar power plant with 6 MWh of battery storage.

Renewvia has successfully deployed mini grids on islands in Lake Victoria, in the semi-arid northern areas of Kenya, and all over southern Nigeria, serving over 7,500 customers. They have also developed commercial sites in Kakuma, Kenya, for United Nations High Commissioner for Refugees and the World Food Program.

KUDURA Power East Africa Ltd (KUDURA), an energy utility company operating renewable mini grids serving rural off-grid communities in East Africa, was awarded an RBF grant of up to USD 2.8M to unlock 5,909 connections, also in Turkana County. The company is operating 11 GMG sites in Busia County, serving over 4,000 customers across 16 communities and is currently constructing another 21 mini grids in Turkana. The expansion is co-funded by RVE.SOL S.A. (Portugal) and InfraCo Africa (UK).

PowerHive East Africa Limited was awarded an RBF grant of up to USD 300,000 to unlock approximately 1,202 connections in rural south-western Kenya. PowerHive, a technology venture that partners with utilities and independent power producers to provide access to mini grid electricity for rural homes and businesses, has already installed 20 mini grids with a generation capacity of 890 kW.

CEI Africa was established by KfW on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) in 2021 to improve access to clean energy for rural and peri-urban households and enterprises in Sub-Saharan Africa. CEI Africa is managed by a pioneering consortium of Triple Jump B.V., Persistent Energy and GreenMax Capital Group. Triple Jump is the Foundation Manager, Persistent is the Crowdfunding window lead, and GreenMax is the RBF window lead.

Conceptualized as a one-stop-shop for mini grid developers and off-grid solar companies, CEI Africa offers a variety of financing instruments combined with technical assistance. The Foundation's Crowdfunding window provides debt and investment products in collaboration with European crowdenders, while the Results-based financing window offers RBF grants and forgivable loans.

CEI Africa has allocated EUR 21M to support project developers to finance GMGs through RBF, including the provision of technical assistance. Renewvia, Kudura and PowerHive were selected in CEI Africa's first call for site specific applications. CEI Africa has already expanded its RBF financing of GMGs to include Mali, DRC and Benin. If additional funding becomes available in 2024, further expansion is intended to Sierra Leone, Madagascar and other countries.

"I'm very proud of our Kenyan team's achievements to date," said KUDURA's CEO Vivian Vendeirinho. "Despite a regulatory set-back for our planned scale up in Busia County, our team rallied to turn this set-back into a massive growth opportunity. With close cooperation of the Turkana County Government, we've identified a much larger pipeline of rural consumers with a significant social and commercial need for clean energy."

"The advent of the CEI Africa Kenya funding window was perfect timing for us. The detailed technical support received from the GreenMax and Persistent teams has resulted in a compelling investment case for our next equity round and will push our mini grid business to profitability ahead of our 5-year plans," added Vendeirinho.

"We are thrilled to partner with CEI Africa to make further progress towards meeting the massive demand for reliable and affordable energy in Kakuma Refugee Camp and Kalobeyei Settlement," said Renewvia's Director of African Project Development Douglas Cox. "We look forward to seeing what the highly innovative refugees and host community members in this area do with our electricity."

"On behalf of CEI Africa, we are delighted to support expansion of energy access in the remote areas of northern and south-western Kenya," said GreenMax CEO Clifford J. Aron. "Electricity is a cornerstone of economic development and companies like Renewvia, Kudura and PowerHive are on the front line of electrifying underserved counties in Kenya, thus supporting the government's target of universal electrification."

The three RBF grant awards are pursuant to fulfillment of certain conditions precedent agreed to between CEI Africa, Renewvia, Kudura and PowerHive, respectively, which includes, among others, the execution of a Grant Agreement. The RBF grant funding will be disbursed upon completion of new electricity connections.