

Environmental & Social Impact Report

2024 Annual Report



Introduction to CEI Africa

CEI Africa was established by the German development finance institution KfW on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) in 2021 to improve access to energy for rural and peri-urban households and enterprises in Sub-Saharan Africa. In 2022, the Swiss Development Cooperation (SDC) joined as a contributor to CEI Africa. CEI Africa is managed by Triple Jump and implemented together with partners Persistent and GreenMax Capital Group. CEI Africa works with financiers, off-grid solar and mini-grid experts, to develop investment solutions that bridge the financing gap in the most challenging access to energy sub-sectors.

Our mission is to accelerate energy access in the region by supporting businesses that deliver clean, reliable, and affordable energy solutions to communities that need it most.

CEI Africa plays a critical role in bridging the gap between financing and impactful energy projects, ensuring that our investments drive both environmental and social benefits in alignment with global sustainability standards.

CEI Africa started at the end of 2021 and committed its first investment in 2023.

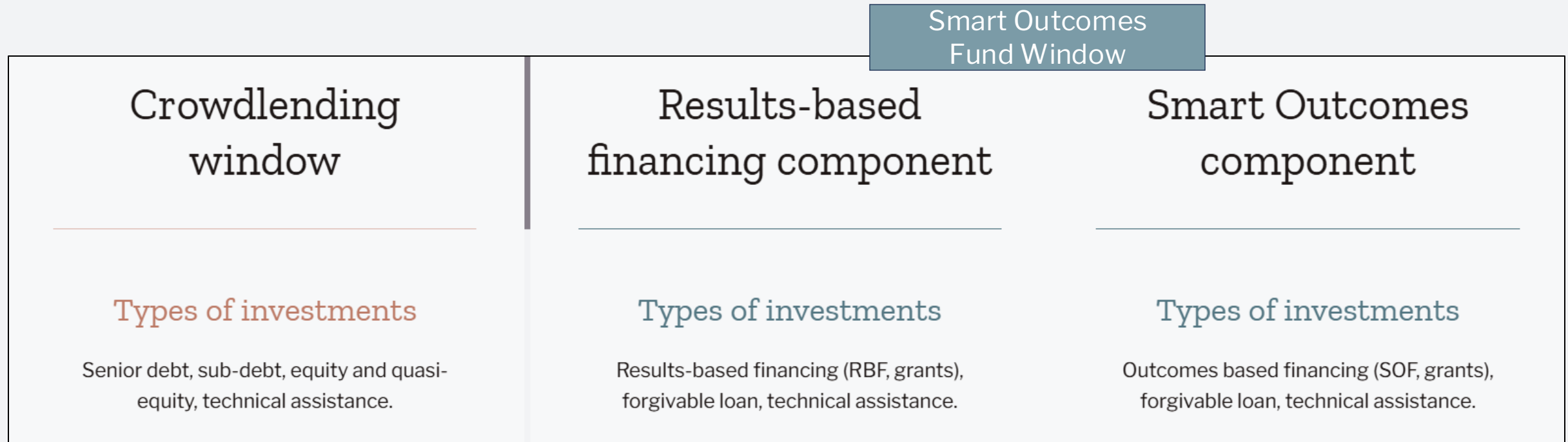
Rationale for this Report

The 2024 Environmental & Social (E&S) and Impact Report is the second comprehensive reflection of CEI Africa's ongoing commitment to sustainability, transparency, and accountability. As part of our mission to support decentralized energy solutions in Sub-Saharan Africa, we recognize the importance of ensuring that our investments not only deliver financial returns but also create significant positive impacts on the environment and society.

This report highlights our efforts to integrate rigorous E&S standards into our investment process, in line with international frameworks such as the IFC Performance Standards. It showcases how we have worked with our investees to build their capacity in managing E&S risks, particularly through the development of Environmental and Social Management Systems (ESMS), enhancing community engagement, and promoting gender equity within the workforce.

Snapshot of CEI Africa: Funding Windows

CEI Africa supports the delivery of climate-friendly electricity by financing green mini grid developers and other off-grid solar companies through two investment windows and multiple types of investments combined with technical assistance.



Main Highlights of the Report

- **Portfolio Progress:** The portfolio shows growing adoption of E&S practices, with strengths in stakeholder engagement and governance, but gaps remain in ESMS documentation, OHS (Occupational Health and Safety) training, and e-waste management.
- **Technical Assistance:** CEI Africa is advancing technical assistance initiatives including an ESG Pillar, GMG E&S Regulations Mapping, and a Gender Pillar to support investees in improving E&S integration and gender equity.
- **Impact Achievements:** In 2024, CEI Africa supported 39 mini-grids for an expected 5,501 connections directly attributed to CEIA. Across its portfolio (green mini-grids and other off-grid sectors), CEIA mobilized EUR 6million in private capital. Its investments support over 200,000 beneficiaries.
- **Next Steps:** Plans include rolling out the ESG TA pillar, updating E&S policy to cover new investment areas, and digitalizing E&S analysis and reporting to enhance portfolio management.



Main E&S Activities During 2024

Policies and Procedures

- No significant change of the Environmental & Social policy was made in 2024. The next update is planned for 2025 to align with the updated CL Investment Strategy.
- The CEI Africa Impact Model was updated to integrate additional funding agreements.

Resources and Governance

- Supervision and support for the E&S and impact activities were provided throughout the year to ensure continuity and effectiveness.

Training Initiatives

- Two SOF component webinars were conducted in January 2024 during which CEIA E&S requirements were outlined to green mini-grid developers interested in PUE.
- A SOF component webinar focused on E&S obligations, monitoring and reporting was conducted in August 2024 for green mini-grid developers obligations.

E&S Portfolio Activities

- **Crowdlending Platforms:** Four companies were assessed, and three were contracted under agreements that include E&S provisions.
- **Smart Outcomes-based Financing (SOF) component:** E&S assessments were conducted on fourteen companies .
- **Technical Assistance (TA):**
 - The TA committee approved the establishment of the ESG Pillar, a technical assistance program to support investees and grantees across the portfolio on E&S integration.
 - The consultants for the ESG GMG Regulations Mapping Project and for the Gender pillar were selected.

Portfolio E&S Snapshot 2024

✓ **Strengths:**

- Growing awareness and uptake of E&S practices across all windows.
- Some investees demonstrate structured stakeholder engagement, basic E&S governance, and commitment to compliance with IFC Performance Standards.
- Environmental and Social Action Plans (ESAPs) have been developed for many grantees, guiding improvements in Occupational Health & Safety, waste, and community engagement.

⚠ **Gaps Identified:**

- Incomplete Environmental and Social Management Systems (ESMS) remain common, especially among early-stage enterprises.
- Occupational Health & Safety (OHS) procedures are inconsistently applied, with gaps in PPE provision and installer safety training for last mile employees.
- E-waste management (particularly for batteries) lacks structure and traceability.

🔄 **TA Priorities Across the Portfolio:**

- Support formalization of ESMS and operationalization of Grievance Redress Mechanism (GRM).
- Deliver targeted training on OHS and incident reporting.
- Facilitate partnerships for e-waste collection and recycling.
- Develop gender and social inclusion action plans aligned with 2X and IFC PS1.
- Embed E&S KPIs into ongoing portfolio monitoring.

Serious Incident Reporting

No serious incident was reported by any investee/grantee in the CEI Africa portfolio for 2024.

Grievance Redress Mechanism Reporting

No grievances were reported to the CEI Africa fund manager by external stakeholders during the reporting period. Investees and grantees had varying levels of Grievance Redress Mechanism (GRM) frameworks in place. As a result, Technical Assistance (TA) was recommended for select investees and grantees who required support in developing and enhancing their GRM frameworks.





E&S Portfolio Analyses-CL

For the 2024 reporting period 4 Crowdlending investments deals underwent E&S analysis out of which two were rated B+ and the others rated as B on the E&S risk rating categories.

Across the four investees, E&S strengths include strong management systems, proactive community engagement, and established waste protocols. Key gaps are scaling grievance/incident management, e-waste handling and distributor oversight, and construction-phase/regulatory compliance; one investee has an ESAP to strengthen ESMS, grievance procedures, and distributor audits.

E&S Portfolio Analyses-SOF PUE Phase 1

For the 2024 reporting period eleven GMG developers that applied for the SOF PUE call underwent E&S analysis.

The PUE SOF portfolio comprises mid-risk clean-energy developers expanding affordable, reliable access.

Most have the fundamentals of environmental and social management in place, actively engage communities, and align with international good practice; several also show maturing health, safety, and security systems.

The main gaps are formalizing and scaling grievance mechanisms, extending OHS training and contractor oversight, establishing formal e-waste take-back arrangements, strengthening documentation and incident/near-miss logs, and standardizing community feedback loops.



Technical Assistance (TA) in 2024

CEI Africa is advancing three technical-assistance initiatives for benefit of its investees and grantees.

First, an ESG Pillar is being established to provide a retainer-style support to bridge gaps in E&S practices across the portfolio.

Second, under the RBF window, a GMG E&S Regulations Mapping project will compile practitioner-ready guidance on applicable E&S legal and regulatory requirements that are common to GMG developers.

Third, a Gender Pillar will support pipeline and portfolio companies to develop gender policies and actionable gender plans with clear targets and reporting metrics.

Impact

Expected Impact -Awarded Portfolio

SOF PUE Phase 1:

14 GMG developers awarded to undertake PUE projects across 140 mini-grid sites targeting to deploy up to 10,070 PUE appliances to impact over 105,673 people with 90% of these getting first time access to PUE appliances and translating on average a reduction of 42% the amount of time women spend on household chores.

SOF PUE Phase 2:

10 Kenyan PUE companies awarded to deploy up to 4,400 PUE appliances benefiting over 155,684 people with an average of 86% of these being first time access to PUE devices and on average a 34% reduction on the amount of time women spend on household chores.

CEIA Expected Attributed Impact* - 2024				
Disbursements				
Impact KPIs	CL Direct	CL Platform	RBF	TOTAL
Mini-grids #	17		22	39
Connections #	1,534	1,310	2,657	5,501
Mobilized private capital (EUR mln)	2.88	0.61	2.60	6.09
Installed capacity (MWp)	3.55	2.83	1.40	7.78
CO2teq reduction p.a. (tons CO2eq)	490	93	1,853	2,436
Beneficiaries #	187,607	5,783	14,614	208,004

**the share of the impact generated by the investee/grantee that is attributable to CEIA investment*

Strengths

CEIA portfolio companies demonstrated notable progress in E&S governance, stakeholder engagement, and risk screening, supported by tailored technical assistance that strengthened investee capacity while aligning with CEIA's environmental and social standards.

Challenges

Limited E&S visibility in developer-contractor relationships has exposed downstream risks, driven by investees' weak supply chain due diligence and constrained technical capacity.

Next Steps

- Roll-out ESG TA pillar to support portfolio companies better integrate E&S into their business operations
- Adapting the E&S policy to the updated Crowdlending Investment Strategy which now includes on-grid projects, battery energy storage systems and e-mobility
- Digitalization and automation of E&S analysis and reporting processes across CEIA's portfolio

Abbreviations & Acronyms

- i. E&S: Environmental & Social
- ii. ESMS: Environmental and Social Management System
- iii. ESIA: Environmental and Social Impact Assessment
- iv. GRM: Grievance Redress Mechanism
- v. IFC: International Finance Corporation
- vi. TA: Technical Assistance
- vii. PUE: Productive Use of Energy
- viii. RBF: Results-Based Financing
- ix. SOF: Smart Outcome Fund
- x. OHS: Occupational Health and Safety
- xi. EPC: Engineering, Procurement, and Construction
- xii. IC: Investment Committee





Clean Energy
& Energy Inclusion
for Africa

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