Oasis Energy – Solar for All Fund

June 2011
The Solar for All Fund is a global fund, with key markets in India and SE Asia where over 800mn people are without access to energy.

Over 1.4 bn people in off-grid market; $5bn/yr spent on lighting alone
Solar PV is a breakthrough technology for off-grid market

- **PV technology** is ideal for BoP because
  - easy to install and maintain
  - requires no fuel / minimal operating cost
  - can work at micro-scale
  - modular / easily expandable

- **Steep price decline** means panels now crossing ‘tipping point’ into mass affordability

- **Huge, growing demand** from low income communities
  - Better, cheaper light than fuel-based lamps or torches
  - Need for communication: e.g. mobile phone charging

→ **SIGNIFICANT MARKET OPPORTUNITY FOR COMPANIES WITH THE RIGHT BUSINESS MODEL**
Investment Opportunity: Oasis Energy – Solar for All Fund

- Invests in innovative, scalable and commercially viable enterprises providing energy access to low income communities with a focus on solar photovoltaic energy technologies.

- Adopts an integrated PV supply chain approach.

- Generates attractive financial returns while providing significant social and environmental impact.

- Sponsored by two leading industry players with BoP and solar expertise, project development funded by EIB.
Fund Management

**Fund Manager**
- **Bamboo Finance**, specialist BoP fund manager and **BlueOrchard**, world’s largest manager of micro-finance and BoP funds
- $1.3 bn under management
- 10 year proven track record
- Experienced staff (> 50) in 7 offices including **Phnom Penh** and **Bishkek**; opening soon in **Singapore** and **India**.

**Technical Advisor**
- **Solar for All**, consortium of > 50 solar & off-grid experts
- Led by **Canopus Foundation**, supporting renewable energy for developing countries since 1997, and **Ashoka**, world’s largest network of social entrepreneurs (>3,000 in 73 countries)
Roles and Responsibilities

Fund Manager

- In depth **due diligence**
- Investment Committee
- Deal **structuring** and execution
- **Risk Management** and portfolio **monitoring**
- Investor **reporting**

Technical Advisor

- **Deal sourcing** through SfA consortium network and Ashoka
- **Technical** due diligence
- Investment Committee
- **Targeted technical assistance**
Fund Description: Investment Strategy

• Targets investments **globally facilitating access to solar PV** to communities without or with no reliable grid

• **Integrated supply chain** approach

• **Venture and growth capital** ($1 M - $8 M over lifetime of investment) or **debt financing** (up to USD 2 M)

• Companies with **high growth potential**, **solid and sustainable business model** and **promising exit opportunities**
Fund Description: Return Expectation

- **Financial Returns**: Financial return expectation: **10% IRR to investors**

- **Social Returns**: Primarily measured through the **number of household reached** by solar energy products or services supported by the fund.

- **Environmental Returns**: Primarily measured through the **amount of carbon emission reduction** as a result of manufacturing, selling or using products and services supported by the fund.
Challenges: Bottle-necks Further Down the Supply Chain

- Finding the right MFI partners
- Effective payment collection
- Suitable micro-loan product or consumer finance scheme

- Establishing customer trust
- Marketing to BoP households
- Market access to ‘last mile’

- Affordability
- Adaptation to local conditions
- Reliability

- Reliable Warranties
- Repair & maintenance
- Product upgrade/replacement
Proposition: Oasis Energy - Solar for All Fund

Address challenges and drive growth by making **mutually supportive investments** across the entire solar PV supply chain

• **Broker partnerships:**
  - manufacturer/distributor
  - distributor/MFIs

• **Invest where key bottlenecks**, mainly downstream:
  - working capital to a distributor with good access to ‘last mile’ to manage inventory
  - fund MFIs’ expansion of solar loan program
Proposition: Oasis Energy - Solar for All Fund

• Provide **targeted technical assistance** to investees:
  - funded by Solar For All Consortium
  - leverage network of experts in the field of solar PV

• Support **promising early-stage companies** to reach investment readiness:
  - SfA incubator, transferring technical and entrepreneurial know-how
  - (however Oasis – Solar for All Fund under no obligation to invest)