Changing lives with energy

Annual Review 2019
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The big picture

Access to energy for all is not just an end in itself, it’s about the benefits it brings: from smoke-free homes, lit up in the evening, to more productive farms and businesses, to schools and health clinics able to operate the equipment they need, and to function after dark.

Our approach

We believe in private sector-led development. We help clean energy suppliers and businesses in Africa to expand energy access and use new energy supplies to grow.

We help them navigate the challenges facing energy markets, like lack of skills, difficulty accessing technology and finance, poor policies and regulations, untested business models, and weak distribution channels.

What we do

We provide training and advice on technical issues, growing supply chains, running a business, and raising capital, across a range of challenging contexts:

• Working with the poorest 20% of households.
• Incubating clean energy start-ups testing new technologies and models.
• Helping smallholder farmers.
• Working in refugee camps.
• Crowdfunding for energy access companies.
• Helping women entrepreneurs in the last mile.
• Advocating for policies that promote gender and social equity.
• Exploring how to make mini-grids more profitable.
• Solarising rural schools and clinics.

Coping with climate change

Mitigating the impact of climate change on agriculture, using clean energy technologies to make farms more resilient and productive.

Empowering women

Improving women’s daily lives at home and work, and supporting their role in the economic growth of their communities.

Boosting livelihoods

Creating income opportunities through increased access to, and productive use of, energy.

Serving the poor and vulnerable

Making clean energy affordable for the very poorest, who might otherwise be left behind by growing energy markets.

“Energy is vital to our lives. The world must take urgent action to ensure that everyone has access to clean, efficient and affordable sources of energy.”

United Nations Secretary-General, António Guterres
Our accomplishments

Since 2007 we have helped over 17 million people in sub-Saharan Africa acquire better energy access.

And we’ve helped 5,000 businesses – local micro energy businesses, small and medium enterprises and project developers – access the capital, skills and equipment to use energy, grow, and deliver energy access.

Lack of access to capital can hamper growth. We have a variety of models to help with this:

- Microfinance lending to rural businesses and informal community-based groups.
- Underwriting credit risk for energy product suppliers.
- Providing investment readiness, investor introduction and transaction support.
- Targeted grants.
- Crowdfunding and peer-to-peer lending.

Where we work

Country Offices

Project Experience

- Supported 128 mini-grids across sub-Saharan Africa in demand assessment, productive use of energy, technical design, site selection, regulatory advice and capital raising.
- Helped 621 energy using businesses - 363 of them owned by women – to use electricity to increase productivity.
- Introduced 1,070 electrically-powered devices for small businesses such as: welders, carpenters, farmers, shops, restaurants, cold storage and water pumping.
- Assisted 796 energy supply businesses – 624 of them owned by women – that provide clean cooking and solar lighting in remote areas and in refugee camps.
- Helped 512 smallholder farmers access funding, equipment and markets.
- Made it possible for 1,600 of Kenya’s very poorest households to afford solar, thanks to a top-up payment on government allowances.
- Provided solar power to schools and health clinics in poor and remote areas of Kenya, serving 15,000 students and over 550 patients every week.
- Supported 10 projects providing communications and technology hubs, solar-powered clinics and hospitals, irrigation facilities, and energy for businesses and households in refugee camps in Uganda, Burkina Faso, Kenya and Jordan.

We have raised £13 million in crowdfunding through 315 campaigns resulting in over 650,000 people with improved access to energy.

10,400 local jobs created within the businesses we support.

13.2 million tonnes of CO₂ emissions avoided by adopting clean energy technologies.

$154 million of capital raised.
Coping with climate change

To survive a changing climate, African farmers need better access to energy and the tools and skills to use it.

Agriculture employs 65% of Africa’s workforce and makes up a third of its gross domestic product.

Only 4% of arable land in sub-Saharan Africa is irrigated, leaving farmers vulnerable to droughts.

Properly irrigated land yields twice or more crops than rain-fed and hand-irrigated land.

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We promote climate-smart agriculture and technologies which improve yields, preserve fresh produce, and reduce carbon emissions.

These include:

- **Cold storage**
- **Crop-processing equipment**
- **Solar-powered irrigation systems**

In **Rwanda**, we provided technical assistance to 281 smallholder farmers and helped them to buy solar irrigation systems, which increased yields by up to 67%.

In **Senegal**, we helped women’s agricultural cooperatives acquire solar dryers to process cereals, improve quality, and reduce labour. Their monthly sales typically grew by over 100%.

**Aïssata Ba**, has been market gardening for 30 years – hard, manual work for someone without modern infrastructure, tools, and agronomy skills.

With our help, Aïssata acquired a solar-powered pump on credit and developed a business plan to restructure her activity, evaluate profitability of crops, and define a route-to-market strategy.

“Solar irrigation can have a long-lasting benefit on productivity, enabling farmers to increase the number of planting seasons and diversify their crops. We partnered with Energy 4 Impact to train farmers to use solar pumps, and to provide them with practical know-how on agricultural practices, pest control, and potential new crops.”

Dr Charles Murekezi, Director-General for Agriculture Development, Ministry of Agriculture and Animal Resources, Rwanda

**In just one season:**

**Production increased from 900 kg to 1428 kg of vegetables.**

**Sales increased to from $350 to $617.**

Solar irrigation can boost farmers’ yields and help them cope with erratic rains, but the multiple supply chains – for crops, equipment, and finance – all need to function well for the solar irrigation market to develop. This takes a system-wide approach, equipping everyone – not just the farmers – with the necessary skills, knowledge and resources.
Empowering women

Energy offers life-changing opportunities for women, through selling energy products and services and working in electricity-powered enterprises.

In sub-Saharan Africa:

74% of women work in informal, often unpaid employment, performing hard, manual labour.

Women are 50% of the agricultural workforce but control only 20% of the land.

Girls can spend up to 18 hours a week gathering fuel for household cooking and five hours per week collecting water.

In 2019, 68% of the enterprises we supported were led by women.

For the Maendeleo Women Trading Association, involved in cassava production and processing in Kazulu:

74% of women work in informal, often unpaid employment, performing hard, manual labour.

In 2018, Energy 4 Impact helped Awa Sene – a 37-year-old widowed mother of six – get a micro-loan for a solar-powered fridge-freezer. Awa has now launched the first cold trade in her village, selling refrigerated food and drinks.

Monthly sales went up 282%, a net profit of $652 per month.

A $6,500 bank loan was granted.

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In Senegal, we helped more than 3,000 women in 61 agricultural cooperatives get finance for solar freezers, pumps, dryers, water purification systems and lighting.

This has increased profits by 200% and created 106 jobs.

In Benin, we are showcasing their potential to drive sustainable economic development by working with women leaders of 25 medium-sized businesses.

Energy’s contribution to economic development will be magnified significantly when combined with fair participation by women.

Women benefit disproportionately from energy access and should have a major role in their communities’ development. That said, we must adapt to entrenched cultural and business norms, and use success stories that build the economic case for women’s empowerment, to challenge them from within.
Equatorial Power is developing a 600kWp solar mini-grid on Lake Victoria, to supply 3,500 connections and an industrial park.

We helped with:

- Demand assessment and customers' ability and willingness to pay.
- Validating the business and financial project models.
- Investor marketing and due diligence.

This culminated in Equatorial Power closing an investment with major energy player, Engie. The project is expected to be commissioned in 2020.

Energy access alone will not help business to grow; they also need new skills, investment, equipment and markets. By helping them to find these, we ensure jobs are created and incomes improved.

We improve the commercial viability of rural power projects by stimulating demand amongst the businesses they serve.

We have advised 128 mini-grid developers across 36 countries.

An electric motor means finer flour, lower costs for Mr Kilua's milling business. With a business plan and improved record-keeping, he recouped his investment in six months.

87% of enterprises increased their profits by 87%.

349 enterprises increased their profits by 87%.

214 jobs were created.

Unlocking investment for independent energy developers

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We are boosting the private sector's role in addressing refugees' energy needs and changing the way energy is managed in the humanitarian sector. In refugee camps, settlements and host communities, we have helped companies:

• Set up distribution outlets for solar home systems.
• Build a solar-powered ICT and learning hub to teach new skills.
• Install solar in a hospital and two health clinics.
• Install solar water pumping for drinking water and irrigation.
• Develop energy-efficient buildings.
• Helped entrepreneurs use solar power to expand their businesses.

We address the energy needs of the poorest, by making clean energy available and affordable.

Inadequate energy limits the poorest people's access to education, employment, and healthcare, trapping them in poverty. Energy access can help them overcome this, but it needs to be affordable.

There is a compelling case for subsidising the poor's initial purchases in energy access markets, but how will they manage the systems, and pay for parts and replacements in the long term? We are experimenting with various mechanisms to address this challenge and create more sustainable solutions.
Thank you

Access to energy, and the empowerment it brings, changes everything. The transformative impact of our work would be impossible without the brilliant private sector businesses that we work with, and the generous support of our partners and donors. To all those we work with and who support us, thank you. You are changing lives.

There is still much to do. Together, we can deliver not just expanded energy access, but also the equipment and know-how to use it to help farming communities, women, businesses, and the most deprived and vulnerable.

Get involved

If you are a practitioner, investor or business involved in energy access and you’re interested in collaborating with us, please contact us on info@energy4impact.org. To support our work visit www.energy4impact.org/donate

Our donors

We thank the OVO Foundation for the use of some of their photos.
## Financials

### Income

£7.0 million, 3% down on last year.

<table>
<thead>
<tr>
<th>Income from:</th>
<th>2019 Unrestricted £</th>
<th>2019 Restricted £</th>
<th>2019 Total £</th>
<th>2018 Total £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations and legacies</td>
<td>20,981</td>
<td>-</td>
<td>20,981</td>
<td>16,018</td>
</tr>
<tr>
<td>Charitable activities - grants</td>
<td>19,397</td>
<td>5,414,433</td>
<td>5,433,830</td>
<td>6,292,714</td>
</tr>
<tr>
<td>Charitable activities - consultancy</td>
<td>1,564,444</td>
<td>-</td>
<td>1,564,444</td>
<td>944,800</td>
</tr>
<tr>
<td>Investments</td>
<td>238</td>
<td>-</td>
<td>238</td>
<td>217</td>
</tr>
<tr>
<td>Other income</td>
<td>5,917</td>
<td>-</td>
<td>5,917</td>
<td>4,082</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td>1,610,977</td>
<td>5,414,433</td>
<td><strong>7,025,410</strong></td>
<td><strong>7,257,831</strong></td>
</tr>
</tbody>
</table>

### Expenditure

Total expenditure was £6.8 million, up 8% from last year. Of this 92% is spent on direct project costs.

<table>
<thead>
<tr>
<th>Expenditure on:</th>
<th>2019 Unrestricted £</th>
<th>2019 Restricted £</th>
<th>2019 Total £</th>
<th>2018 Total £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raising funds</td>
<td>120,455</td>
<td>-</td>
<td>120,455</td>
<td>101,882</td>
</tr>
<tr>
<td>Charitable activities</td>
<td>1,554,642</td>
<td>5,166,667</td>
<td>6,721,309</td>
<td>6,237,302</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td>1,675,097</td>
<td>5,166,667</td>
<td><strong>6,841,764</strong></td>
<td><strong>6,339,184</strong></td>
</tr>
<tr>
<td><strong>Net income / (expenditure)</strong></td>
<td>-54,477</td>
<td>183,646</td>
<td><strong>183,199</strong></td>
<td><strong>918,647</strong></td>
</tr>
<tr>
<td>Transfers between funds</td>
<td>(1,063)</td>
<td>1,063</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net movement in funds</strong></td>
<td>(56,536)</td>
<td>248,829</td>
<td><strong>183,293</strong></td>
<td><strong>918,647</strong></td>
</tr>
<tr>
<td><strong>Reconciliation of funds:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total funds balances brought forward</td>
<td>514,832</td>
<td>1,004,938</td>
<td><strong>1,519,770</strong></td>
<td><strong>601,123</strong></td>
</tr>
<tr>
<td><strong>Total fund balances carried forward</strong></td>
<td><strong>449,649</strong></td>
<td>1,253,767</td>
<td><strong>1,703,416</strong></td>
<td><strong>1,519,770</strong></td>
</tr>
</tbody>
</table>
Energy 4 Impact is a non-profit organisation working with local businesses to extend access to energy in Africa. Our work growing sustainable clean energy markets is creating jobs, accelerating economic growth and improving the quality of life for millions of people.

Visit our website: www.energy4impact.org

Mail us: info@energy4impact.org

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