



CASE STUDY

Energy and Digital Financing in Burkina Faso

FACTSHEET



**United Nations
Capital Development Fund**

Impact Capital for Development

CASE STUDY



SPEAKERS



Vincent Wierda

IDE Energy Lead

Since 2013, Vincent has facilitated investment flows into a portfolio of over 70 private sector companies that use innovative as well as digitally enabled business models to bring energy solutions to millions of people and small enterprises in diverse markets such as Ethiopia, Uganda, Burkina Faso, DR Congo and Nepal. These include improved cooking solutions, stand-alone solar, solar for productive use and microgrid solutions. This energy portfolio contributed to much of the initial deal flow of the UNCDF Investment Platform.



Janine Ouattara

Country Lead, Inclusive Digital Economies - IDE

leads program implementation in Burkina Faso for UN Capital Development Fund, in line with national prerogative and the UN cooperation framework.

Through a multi-effects approach, the program contributes to the development of digital economies and strengthens the financial and entrepreneurial capacities of small and medium-sized enterprises, while also having a positive impact on last-mile populations. It also serves to preserve agricultural and forestry resources and strengthens climate resilience, such as the "Renewable Energy Fund for People's Resilience in Burkina Faso" project.

SUMMARY

- UNCDF
- FERR-BF
- CASE STUDY - ICBD
- MONITORING & EVALUATION
- FERR-BF KEY LESSONS



UNCDF



The **UN Capital Development Fund** is the United Nations' flagship catalytic financing entity for the world's 46 Least Developed Countries (LDCs). With its unique capital mandate and focus on the LDCs, UNCDF works to invest and catalyse capital to support these countries in achieving the sustainable growth and inclusiveness envisioned by the 2030 Agenda for Sustainable Development and the Doha Programme of Action for the least developed countries, 2022–2031.

Five Priority Areas

Inclusive Digital Economies
Local Transformative Finance
Sustainable Food Systems Finance
Climate, Energy and Biodiversity Finance
Women's Economic Empowerment

FERR-BF



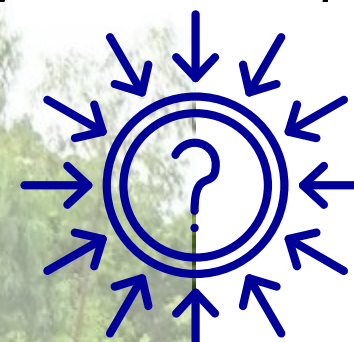
LE GOUVERNEMENT
DU GRAND-DUCHÉ DE LUXEMBOURG
Ministère de l'Environnement, du Climat
et du Développement durable



Located in Western Africa and completely land-locked, **Burkina Faso** remains today a fragile state with a challenging energy situation; The percentage of the population that has access to modern energy services is still very low (18.83% has access to electricity). Geographical disparities are significant: 58% of the urban population had access to electricity vs 1% only of the rural population.

FUND OF RENEWABLE ENERGY AND RESILIENCE OF BURKINA FASO

“Strengthen the economic resilience and adaptation to climate change of the most vulnerable segments of the population : women, young people, small farmers, micro and small businesses, and refugees from rural and peri-urban areas of Burkina Faso.”



HOW

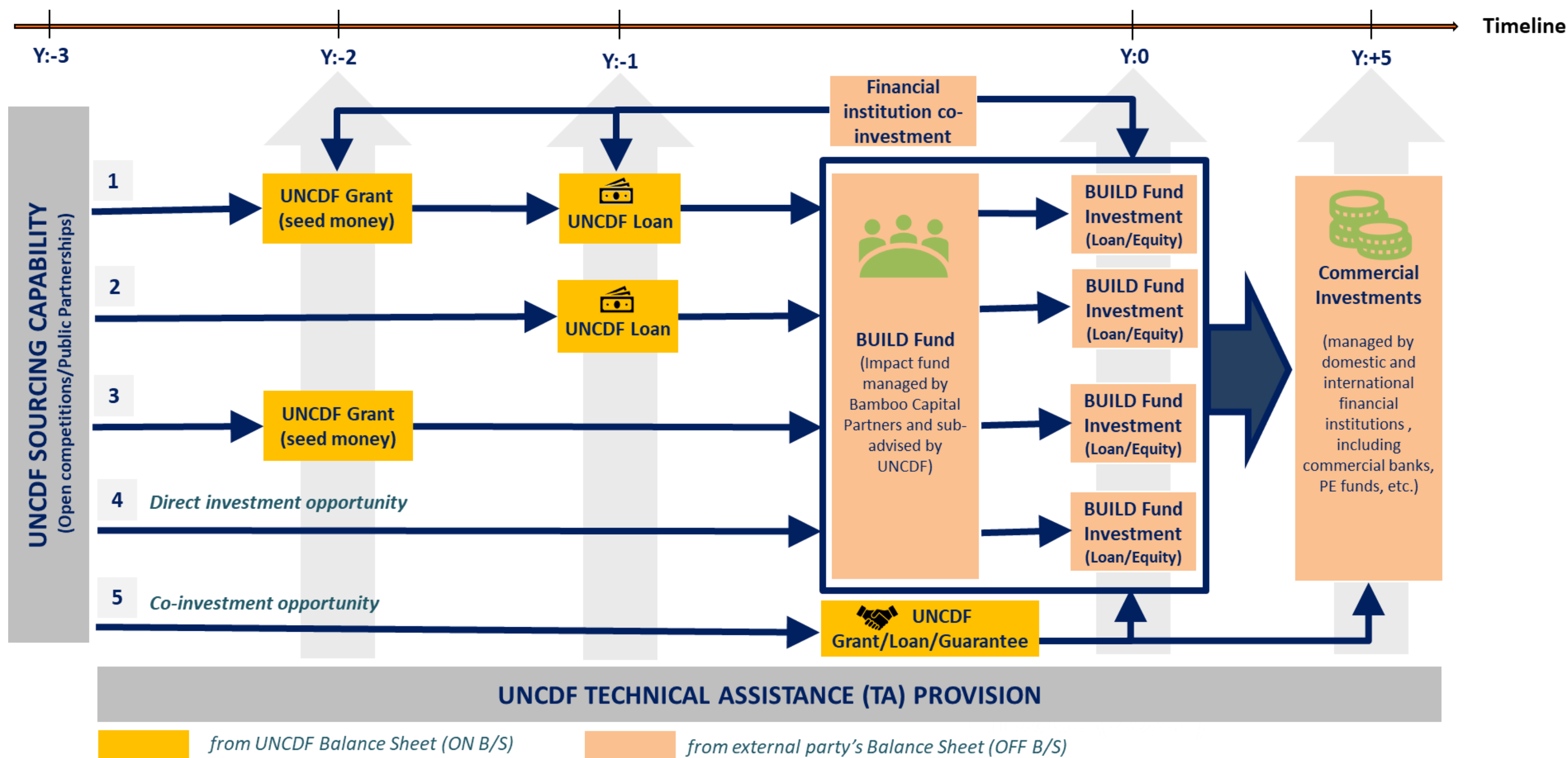
Supporting private sector partners through technical assistance, grants and loans.

Sector-wide approach used to address challenges, facilitate knowledge exchange, and strengthen the industry.

Raising awareness and facilitating the sharing of knowledge about clean energy products with the public.



UNCDF TOOLBOX ENABLES AN “INVESTMENT CONTINUUM” FOR SMEs, FSPS AND PROJECT DEVELOPERS IN LDCS



FERR-BF MARKET APPROACH



UNCDF
Grants and TA

INCUBATORS
Receive grants to build TA for FERR-BF partners (ESCO, FSPs)

ESCOs
Receive grants, loans, guarantees or TA

FSPs and PSP
Receive grants to strengthen the ecosystem and connect with partners and customers

CUSTOMERS
Easy access to appropriate financial services and digital solutions, enabling them to acquire appropriate renewable energy equipment to increase their productivity and improve their income and livelihood



SUMMARY OF THE PARTNERS (16)

Types	Partners	Solutions
<p>ESCOs (Energy Services Companies)</p> <p>FS (Financial Services Providers)</p>	<p>AES</p> <p>GES</p> <p>FRES/Yeelen Ba</p> <p>Qotto</p> <p>MicroSow</p> <p>SOIER</p> <p>OOLU Solar</p> <p>NAFA NAANA</p> <p>ICBD</p> <p>Sahelia solar</p> <p>MicroStart</p> <p>Graine</p>	<p>Solar system</p> <p>Solar irrigation</p> <p>Multi-functional platform and mini-grid</p> <p>Solar home systems and solar PU equipment</p> <p>Solar Kiosks</p> <p>Solar refrigeration and solar irrigation</p> <p>Solar home systems and Power hubs</p> <p>Clean cooking and solar productive equipment</p> <p>Solar irrigation</p> <p>Multi-functional platform</p> <p>Financial services provider</p> <p>Financial services provider</p>
<p>PSP (Payment Services Providers)</p>	<p>InTouch</p>	<p>Digital payment services provider</p>
<p>INCUBATORS</p>	<p>2M Incubator</p> <p>2iE Incubator</p> <p>BBI Incubator</p>	<p>Capacity building</p> <p>Capacity building</p> <p>Capacity building</p>

RESULTS



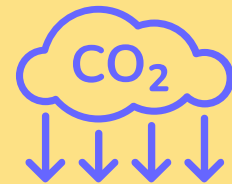
48,275 people benefiting from clean energy solutions



9,655 clean energy equipment and products sold



909 salaried jobs & commission-based agents created
(273 women, 164 youth)



9,569 tonnes of Co2 Offset (Est.)



16 partners supported via technical assistance, loans or grants



CASE STUDY - ICBBD



Ingénieurs Conseils Bio Design

Grant

85 000 USD

Locality

Koudougou

Beneficiaries

women's and youth agricultural cooperatives

Activities

- Site development work
- Installation of technological solar pump systems
- Supply of equipment
- Training and support in agricultural practices
- Implementation of agricultural projects from production to sale



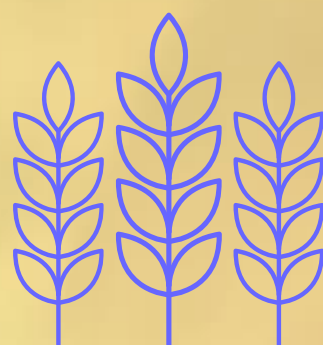
ICBD RESULTS



400 PEOPLE WORKING ON 2500 M2 OF LAND



+20 GARDENS WITH PRECISION WATERING CONTROLLED BY A TECHNOLOGICAL SYSTEM LINKED TO PAYGO



+50% IN AGRICULTURAL YIELDS



-50% REDUCTION IN WATER BILL



PAYGO FOR SOLAR IRRIGATION

Pay As You Go



“Flexible financing: payment based on needs and consumption. “

“Mechanism to overcome the challenges of access to energy and financial inclusion for rural communities not connected to the national grid and with low incomes.”



THE ICBD TECHNOLOGICAL DEVICE



RAISING FUNDS

In addition to financial support from
UNCDF

80,000 USD raised from private
individuals

- **20,000 USD** Repaid in six months at rates ranging from 0 to 50 per cent, which helped launch the business
- **60,000 USD** to develop the business.

DIGITAL DEVELOPMENTS

- **Synergy with InTouch** (digital payment service provider), to develop their mobile payment system
- Development of web and mobile platforms to access the water payment system



CONCLUSION



Positive outcome



Women and young people are gradually and surely reaching financial inclusion and emancipation through land owning.



An opportunity to make an impact on food security in Burkina Faso

MONITORING & EVALUATION

- Disbursements conditional on milestone achievement :
 - submission of financial reports, narrative implementation reports, administrative documentation (recruitment, contracts,...)
- Technical assistance available on an ongoing need basis from the UNCDF team, both to companies and to final beneficiaries
- Quarterly meetings
- Site visits to assess project achievements



FERR-BF KEY LESSONS

- **Economic resilience and increased ability to adapt to climate change of people with access to renewable technologies.**
- **Promotion and development of a thriving clean energy market for productive uses.** “7 out of 8 ESCOs actually increased their turnover between 2019 and 2022, 4 more than doubled their economic size.”
- **Digital services enable access to restricted areas (security issues).** “The project contributed to the popularization of digital services for the purchase and adoption of renewable technologies. In particular, it promoted the experimentation of PAYGO in rural areas.”
- **MFIs provided effective services, yet banks involvement remained limited and ESCOs continue facing a financing gap.** “The financing of the MSMEs benefiting from the project in services and especially in photovoltaic equipment remains largely unsatisfied: no partnerships yet with financial institutions with adapted offers to the clean energy sector.”
- **Market volatility - productive solar equipment not yet adapted to clients’ needs.** The quality of the equipment is questionable: this situation does not facilitate relations between final beneficiaries and MFIs and ESCOs.
- **Some of the technologies support activities with a strong female presence.** Going forward there is potential for funding several SDG impacts (co-benefits).
- **New developments in the VCM pave the way for carbon finance and fair share of revenues.**

Thank you for your attention

Questions ?

FACTSHEET



CASE STUDY



www.uncdf.org

CASE STUDY & FACT SHEET




CLEAN ENERGY 4 PEOPLE RESILIENCE - CE4PR

FACTSHEET

As part of the CE4PR, the Renewable Energy Fund for Resilience in Burkina Faso (FERR-BF) is an innovative financing project implemented in Burkina Faso, between 2019 and 2023, by United Nations Capital Development Fund (UNCDF), with the financial support of the Grand Duchy of Luxembourg (Ministère de l'Environnement, du Climat et du Développement durable - MECDD).

By focusing on the construction of an ecosystem of private and public actors engaged in building a renewable energy market, the FERR-BF developed sustainable clean energy solutions and business models for the most vulnerable populations, deprived of electricity and to support capital mobilisation for such companies. Burkina Faso has an electrification rate of only 20%, even lower in rural areas.

The solutions deployed, like improved cooking stoves, solar water pumps for irrigation, solar refrigeration or productive use appliances powered by solar photovoltaic system, provide employment and economic opportunities for vulnerable populations, women, youth, displaced people, and smallholder farmers. These solutions are also a way to be more resilient in terms of food, in the face of climate change and in the face of the political risks which isolate part of the Burkinabe territory.

To build this ecosystem, using a Market Systems Development approach, the FERR-BF mobilised public actors and supported energy service companies (ESCOs), developers and distributors, incubators, microfinance institutions and other financial service providers, through technical assistance, grants and/or loans.

+ 6.82 MILLION USD MOBILIZED

- 1,458,000 USD UNCDF grants from FERR-BF
- 3,467,032 USD Third-party mobilised funds
- 441,291 USD UNCDF loans under LDCIP mechanism
- 1,461,427 USD Cost sharing from partners


+ 9,655 CLEAN ENERGY equipment sold

10,000 TONS of CO2 avoided

1,000 JOBS CREATED (including 30% women and 18% young people)

+ 48,275 final beneficiaries


FACTSHEET

ÉTUDE DE CAS

Le Fonds des Énergies Renouvelables pour la Résilience au Burkina Faso

2019-2023



CASE STUDY

