

PEG AFRICA



Location
Cote d'Ivoire, Ghana,
Senegal

PROJECT SUMMARY

Hundreds of thousands of people living with poor or no access to electricity in West Africa look set to receive clean energy access for the first time thanks to the region's leading credit provider for solar assets.

As of the start of 2019, PEG Africa had reached 60,000 homes and businesses in Ghana, Cote d'Ivoire and Senegal, enabling customers to purchase solar energy systems on credit instead of continuously spending their money on polluting and expensive fuels such as kerosene.

Now the Ghana-based company is on track to finance and install a further 60,000 systems following a successful US\$25m Series C funding round.

During the round, REPP provided US\$1.1m in equity financing, matched by integrated energy company Total Energy Ventures, with further commitments from existing shareholders. The remaining US\$20 million has been provided as debt, with the UK's DFI CDC Group investing \$15m.

Scaling up PEG's operations is expected to provide economic, environmental and health benefits for the region's rural communities, where off-grid households are spending up to US\$20 a month on kerosene, candles, batteries and phone charging.

The typical solar system that PEG provides credit for include a solar panel, control box, phone charging kit, five LED light bulbs with cables and switches, an LED rechargeable torch, a rechargeable radio and a 19" television. Bigger systems include fans, more lights and larger televisions.

Through the asset-based financing scheme, PEG's customers – who lack formal banking services – make small incremental repayments via their mobile phones to acquire, use and finally own the solar device.

Sales agents are paid a portion of their total commission upfront, and the remainder over the next six months of the loan term, dependent on customer repayment status. If customers default the commission is clawed-back, which incentivises agents to find trust – and credit – worthy customers, as well as deliver ongoing product support.

AT A GLANCE

Technology

Off-grid solar PV



Project type

Off-grid solar energy systems

Offtaker

Off-grid communities

KPIs



Greenhouse gas emissions avoided: 12,750 tCO₂e per year



People with first-time energy access: 500,000



Jobs created: 1,200 during operation



Installed capacity: 4.3MW

FUNDING STRUCTURE

Contracted date

5 October 2018

Lending type

Equity

REPP funding

US\$1,100,000

"PEG is delighted to have received an investment from REPP. The management team have deep experience in innovative financing approaches for energy, and we are looking forward to learning from them."

Hugh Whalan, Group CEO, PEG Africa