



BlueOrchard
Microfinance Investment Managers



 **SOLAR FOR ALL**

The BlueOrchard / Bamboo Group

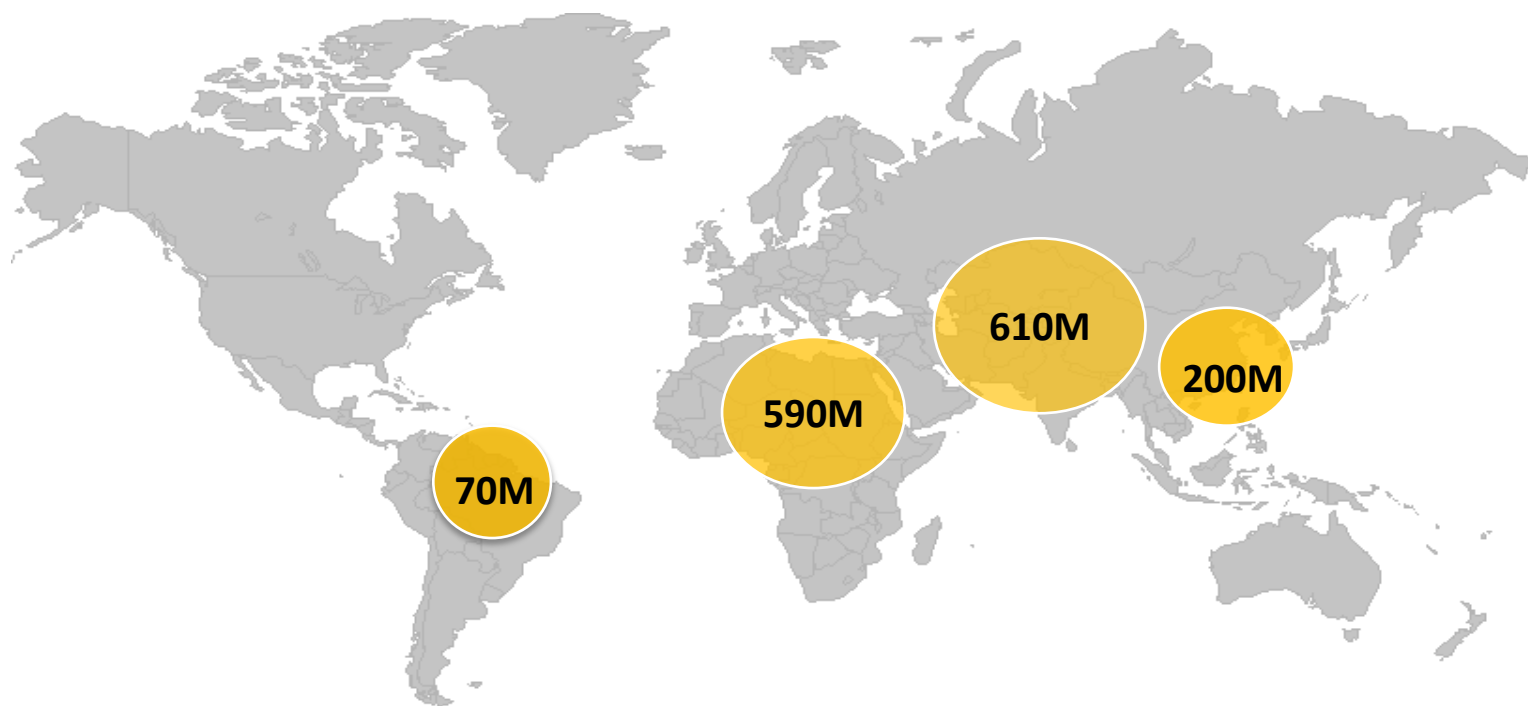
Oasis Energy – Solar for All Fund



June 2011



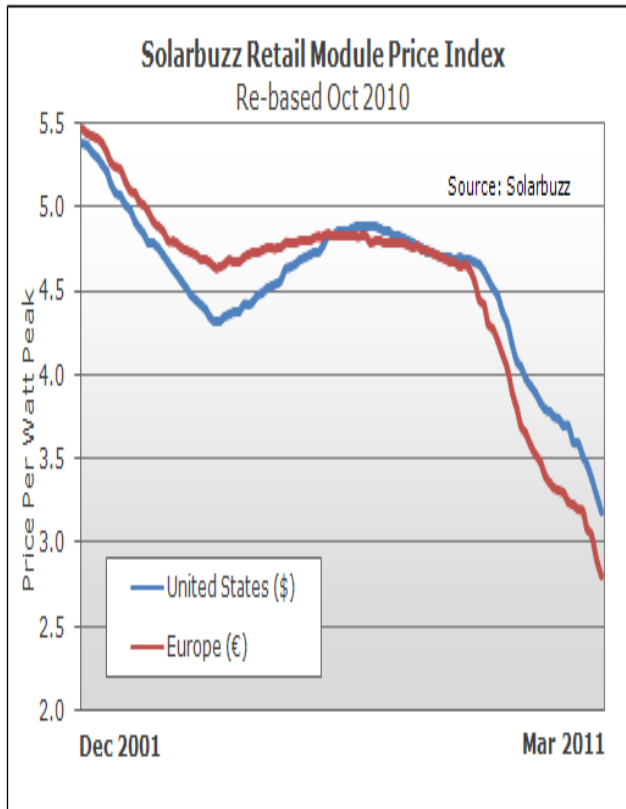
Over 1.4 bn people in off-grid market; \$5bn/yr spent on lighting alone



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



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**

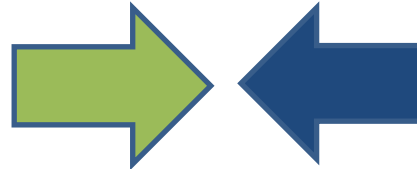


Investment Opportunity: Oasis Energy – Solar for All Fund

- 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

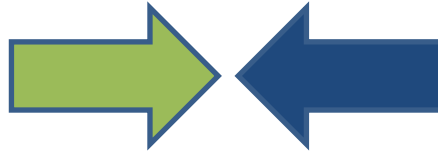
- **Bamboo Finance**, specialist BoP fund manager and **BlueOrchard**, world's largest manager of micro-finance and BoP funds
- \$1.3 bn under management
10 year proven track record
- Experienced staff (> 50) in 7 offices including **Phnom Penh** and **Bishkek**; opening soon in **Singapore** and **India**.

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

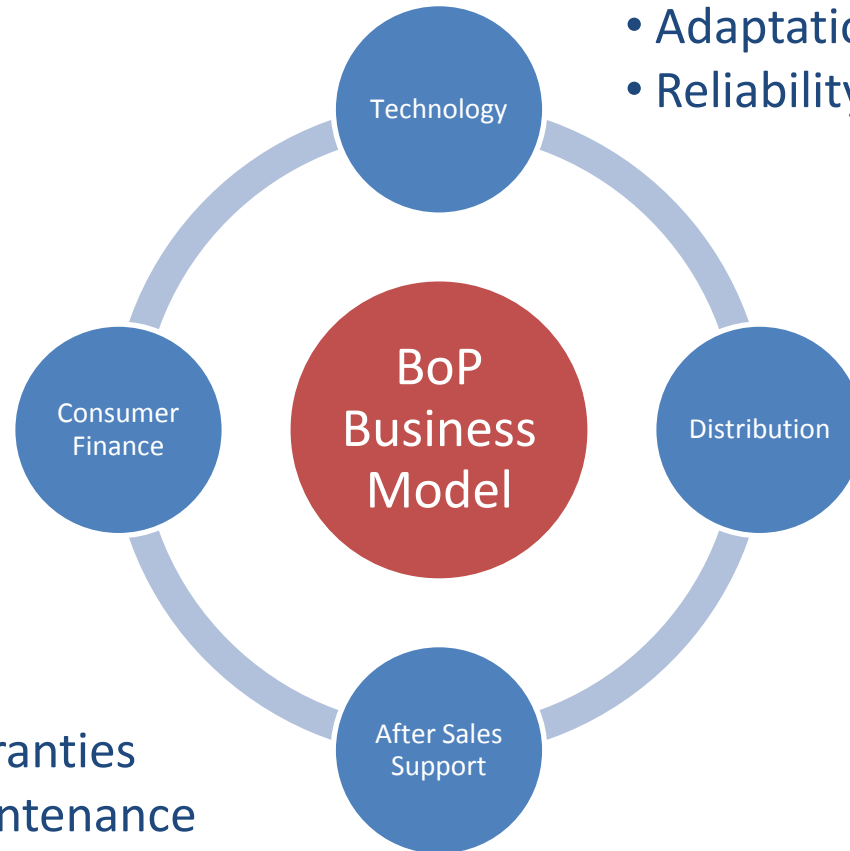
Environmental Returns

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



- Affordability
- Adaptation to local conditions
- Reliability

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

- 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)