



ARCAN MEL Unit Technical Assistance: SEFA Mini Case Studies

March 2026

Contents

Acknowledgements.....	3
Acronym List	3
Glossary.....	4
1.0 Executive summary	6
2.0 Introduction.....	8
2.1 Background.....	8
2.2 Scope and objectives.....	8
3.0 Approach and methodology	9
3.1 Evaluation questions.....	9
3.2 Research design	10
4.0 Findings.....	11
4.1 Background.....	11
4.1.1 CRP 11	
4.1.2 AGGF 12	
4.2 To what extent have SEFA-supported projects contributed to de-risking investments and improving renewable energy supply in Africa? What is likely to have happened to these investments without SEFA support?.....	13
4.2.1 CRP 13	
4.2.2 AGGF 15	
4.3 To what extent have SEFA-supported projects mobilised or secured private finance to expand renewable energy supply in Africa? How instrumental was SEFA support to securing this financing and what is likely to have happened without it?.....	17
4.3.1 CRP 17	
4.3.2 AGGF 17	
4.4 What are the reasons behind any successes / barriers – including contextual factors?.....	18
4.4.1 CRP 18	
4.4.2 AGGF 19	
4.5 What are the main risks to these investments, and how appropriately are they being mitigated?	20

4.6	To what extent are SEFA-supported projects and financing models scalable and sustainable, and how has SEFA's engagement influenced their long-term viability?	21
4.6.1	CRP	21
4.6.2	AGGF	21

5.0 Conclusions and Recommendations23

5.1	Conclusions	23
5.2	Recommendations	23

Annex 1: Original ToR – SEFA Mini Case Studies Concept Note24

Annex 2: ARCAN Evaluation Framework20

Annex 3: Evaluation Matrix for the Mini Case Studies24

Annex 4: Bibliography25

Annex 5: List of stakeholders26

Annex 6: Evidence review matrix template27

Annex 7: Use and Influence Plan28

Annex 8: Safeguarding and Ethics29

Acknowledgements

This report has been produced by the Africa Regional Climate and Nature Programme (ARCAN) Monitoring, Evaluation and Learning (MEL) Unit. This material has been funded by UK International Development from the UK government; however, the views expressed do not necessarily reflect the UK government's official policies. The case study was led by Gil Yaron (ARCAN MEL Evaluation Lead), with support from Cara Stoney (ARCAN MEL Energy Pillar Lead Analyst) and a Private Finance Expert. This case study has been supported logistically by the SEFA.

Acronym List

AfDB	African Development Bank
AGGF	AfricaGoGreen Fund
ARCAN	Africa Regional Climate and Nature Programme
BMZ	German Federal Ministry for Economic Cooperation and Development
CFO	Chief Financial Officer
CI	Concessional Investment
CIF	Climate Investment Funds
C&I	Commercial & Industrial
CRP	COVID-19 Off-Grid Recovery Platform
DFIs	Development Finance Institutions
EA	Energy Access
EE	Energy Efficiency
EEGF	Energy Entrepreneurs Growth Fund
EQ	Evaluation Question
ESG	Environmental, Social and Governance
FCDO	Foreign, Commonwealth and Development Office
FEI	Facility for Energy Inclusion
GEF	Global Environment Facility
GHG	Greenhouse Gas
GMG	Green Mini Grids
KfW	Kreditanstalt für Wiederaufbau
KIIs	Key Informant Interviews
MEL	Monitoring, Evaluation and Learning
MTR	SEFA 2.0 Mid-Term Review
MW	Megawatt
NDF	Nordic Development Fund
OECD DAC	Organisation for Economic Co-operation and Development Development Assistance Committee
OGEF	Off-Grid Energy Access Fund
SDG	Sustainable Development Goal
SEFA	Sustainable Energy Fund for Africa
SHS	Solar Home System
SSA	Sub Saharan Africa
TA	Technical Assistance
TAF	Technical Assistance Facility
ToC	Theory of Change
tCo2	Tonnes of carbon dioxide equivalent

Glossary

Term	Definition
Blended finance	The strategic use of development finance to mobilise additional commercial finance towards sustainable development objectives, by improving the risk-return profile of investments. ¹
Concessional finance	Financing provided on <i>terms more favourable than market norms</i> , such as lower interest rates, longer maturities, or grace periods. It is typically provided by public / DFI / philanthropic entities and does not seek full market returns. ²
De-risking	Refers to strategies or mechanisms employed to reduce, mitigate, or manage the risks associated with investments, making them more attractive to investors. ³
First-loss	In blended finance structures, the junior / concessional tranche absorbs losses first, providing protection to more senior investors. ⁴
Junior debt	Also called subordinated debt, a loan that is repaid after senior debt in the event of bankruptcy. ⁵
Junior equity	Equity capital that is contractually or structurally subordinated to other equity or debt tranches, absorbing losses ahead of senior equity or debt and often used as risk-absorbing capital in blended finance structures. ⁶
Leverage	The amount of additional (typically private or commercial) finance mobilised for each unit of public or concessional finance deployed, often expressed as a leverage ratio. ⁷
Mezzanine finance	A hybrid form of finance that sits between senior debt and equity in the capital structure, typically taking the form of subordinated debt or preferred equity and carrying higher risk and return than senior debt but lower than equity. ⁸
Ordinary equity	A type of financing that ranks between equity and debt, having a higher risk than senior debt and a lower risk than common equity. ⁹
Pari passu	A legal and financial term meaning “on equal footing,” indicating that two or more claims or investors rank equally and share returns or losses proportionately, without priority. ¹⁰

¹ OECD (2025), *OECD DAC Blended Finance Guidance 2025*, Best Practices in Development Co-operation, OECD Publishing, Paris, <https://doi.org/10.1787/e4a13d2c-en>.

² Global Infrastructure Hub & Cambridge Economic Policy Associates (CEPA). (2019). *Guidance Note on National Infrastructure Banks and Similar Financing Facilities* (Annex A: Glossary): [gih-national infrastructure banks -full report-web.pdf](https://www.gih.org.uk/publications/guidance-note-on-national-infrastructure-banks-and-similar-financing-facilities)

³ Kofoworola, O. (2024) How blended finance unlocks private capital for development, Medium: [How Blended Finance Unlocks Private Capital for Development | by Omowale Kofoworola | Medium](https://www.medium.com/@omowalekofoworola/how-blended-finance-unlocks-private-capital-for-development)

⁴ OECD (2025), *OECD DAC Blended Finance Guidance 2025*, Best Practices in Development Co-operation, OECD Publishing, Paris, <https://doi.org/10.1787/e4a13d2c-en>.

⁵ Kagan, J. (2022) Junior Debt: What is it, how it works in real estate investing, Investopedia: [Junior Debt: What it is, How it Works in Real Estate Investing](https://www.investopedia.com/terms/j/junior-debt/)

⁶ Global Infrastructure Hub & Cambridge Economic Policy Associates (CEPA). (2019). *Guidance Note on National Infrastructure Banks and Similar Financing Facilities* (Annex A: Glossary): [gih-national infrastructure banks -full report-web.pdf](https://www.gih.org.uk/publications/guidance-note-on-national-infrastructure-banks-and-similar-financing-facilities)

⁷ OECD (2025), *OECD DAC Blended Finance Guidance 2025*, Best Practices in Development Co-operation, OECD Publishing, Paris, <https://doi.org/10.1787/e4a13d2c-en>.

⁸ Global Infrastructure Hub & Cambridge Economic Policy Associates (CEPA). (2019). *Guidance Note on National Infrastructure Banks and Similar Financing Facilities* (Annex A: Glossary): [gih-national infrastructure banks -full report-web.pdf](https://www.gih.org.uk/publications/guidance-note-on-national-infrastructure-banks-and-similar-financing-facilities)

⁹ Smith, T. (2025) Understanding ordinary shares: definition, benefits, and voting rights, Investopedia: [Understanding Ordinary Shares: Definition, Benefits, and Voting Rights](https://www.investopedia.com/terms/o/ordinary-shares/)

¹⁰ Hayes, A. (2025) What is pari-passu?, Investopedia: [What Is Pari-Passu?](https://www.investopedia.com/terms/p/pari-passu/)

Quasi-equity	Hybrid financing instruments with characteristics of both debt and equity, where returns and repayment are often linked to project or company performance rather than fixed schedules. ¹¹
Risk adjusted rates	A concept where returns are evaluated relative to the risk taken, not just the absolute return. ¹²
Senior debt	A loan to be repaid first if the borrower defaults. Senior debt has priority over more junior debt within the capital structure. ¹³

¹¹ Global Infrastructure Hub & Cambridge Economic Policy Associates (CEPA). (2019). *Guidance Note on National Infrastructure Banks and Similar Financing Facilities* (Annex A: Glossary): [gih-national_infrastructure_banks_full_report-web.pdf](#)

¹² Chen, J. (2025) Maximise investments: essential risk-adjusted return methods explained, Investopedia: [Maximize Investments: Essential Risk-Adjusted Return Methods Explained](#)

¹³ Hayes, A. (2025) Understanding senior debt: risks and payment priorities, Investopedia: [Understanding Senior Debt: Risks and Payment Priorities](#)

1.0 Executive summary

The Sustainable Energy Fund for Africa (SEFA) aims to catalyse private sector participation in clean energy and strengthen the policy and regulatory conditions needed for investment. However, SEFA's broader influence is not fully captured by the existing ARCAN Results Framework, which has prompted FCDO to seek additional qualitative evidence to better understand SEFA's impact. This Technical Assistance (TA) responds to that need by delivering two mini case studies to explore SEFA's contribution to derisking investments, mobilising private finance, and supporting sustainable clean energy infrastructure across Africa. The projects of focus include the COVID-19 Off-Grid Recovery Platform (CRP) and the AfricaGoGreen Fund (AGGF). The mini case studies draw on a targeted document review and a small number of Key Informant Interviews (KIIs) to illustrate SEFA's impact pathways as articulated in the Theory of Change (ToC).

In terms of limitations, the mini case studies are a form of TA and are not full evaluative case studies, which limits the depth and breadth of analysis possible. The work began in November and was required within a one-month period, constraining the time available for an extensive document review and restricting the number of KIIs that could be conducted. In addition, the scope of the work was limited to two SEFA 2.0 investments, which narrows the applicability of findings across the wider portfolio.

Key Findings

The findings suggest that SEFA's support to CRP and AGGF has contributed to de-risking investments and strengthening renewable energy supply in Africa. In the case of CRP, SEFA's rapid response at the outset of COVID-19 led to CRP delivering essential liquidity at a time of acute uncertainty. The CRP concessional capital, blended and co-invested with Partner Fund capital, functions as a derisking instrument, enabling Partners to continue lending to the sector at risk-adjusted rates and keeping capital flowing to companies, while ensuring that lending remains affordable for companies. The Funds deploy different investment strategies and instruments, including mezzanine investments as a form of quasi equity. The evidence indicates that many of these CRP investments would have been seen as too risky or priced too highly to have materialised without SEFA's support. Similarly, SEFA's catalytic contribution to AGGF aims to de-risk investments and leverage additional funding. By providing a first-loss layer of junior capital, SEFA helped to reduce perceived risk for senior debt and senior equity providers, thereby reassuring lenders and lowering the overall cost of capital. In addition, SEFA and the African Development Bank (AfDB) were also involved in market building activities contributing to the development of AGGF. At this stage, the full potential of AGGF to leverage private capital has not yet been realised.

There is also evidence of SEFA-supported projects mobilising private finance to expand renewable energy supply in Africa, despite the challenging fundraising environment. SEFA's US\$27 million investment in CRP acted as a catalyst, attracting US\$13 million from the Global Environment Facility (GEF) and an additional US\$80 million from five private sector partners. Evidence suggests SEFA's support was instrumental in securing financing during the COVID-19 crisis, acting as a catalyst for other investors to commit. In addition to direct lending, AGGF has enabled portfolio companies to raise approximately US\$145 million in senior debt for expansion. This mainly benefitted a small number of more commercially attractive companies. The inclusion of SEFA's US\$10 million equity commitment was probably not decisive for the success of the original equity raise; however, SEFA's participation and local knowledge added credibility and signalled confidence to other investors, likely attracting additional capital that might not have materialised otherwise.

Both examples highlight notable successes within SEFA's portfolio. For CRP, these include its strong leverage effect, driven by providing countercyclical and concessional finance, sectoral and regional expertise among partners, and the alignment of loan structures with market needs. For AGGF, key strengths include

Kreditanstalt für Wiederaufbau's (KfW) role as an anchor investor, the fund's 15-year Fund life, and a solid equity base, all of which contribute to stability and a long-term investment horizon.

SEFA provides examples of successful blended finance, working with specialist Funds and providing junior equity to catalyse other investors to a successful fundraising close. Targeted TA has been used to support some companies prepare investment cases, but the external environment remains challenging. For CRP and AGGF alike, the persistently thin equity markets in Sub-Saharan Africa (SSA) and broader market immaturity were repeatedly identified as major barriers to scaling private investment. Some of the key risks to the investments moving forward include macroeconomic and policy risks in Africa's nascent energy access markets and business risks associated with unforeseen challenges. There is evidence that these risks are being partially mitigated by both projects through reporting systems, early intervention by investors and proactive oversight.

SEFA-supported financing models have demonstrated strong potential for scalability and sustainability, though long-term viability remains influenced by external factors. Through CRP, SEFA has successfully scaled lending by deploying capital across multiple Partner Funds, enabling larger transaction volumes, geographic expansion, and tailored financial solutions. Risk-sharing arrangements and mezzanine financing have contributed to stabilising the sector during liquidity crises. Companies supported through CRP were typically early-stage companies that had little capacity to absorb the pandemic shock. Their default would have threatened the progress made in the renewable energy sector. Scalability is demonstrated through CRP's platform design, moving from initially \$20 million to \$40 million in concessional funding. Nonetheless, long-term sustainability of CRP-supported companies will require a supportive enabling policy environment and availability of scarce equity investment as well as maintaining solid commercial operation. The AGGF model shows promise for scalability by targeting smaller, underserved deals and supporting equity funds that broaden market access. Its flexible credit solutions and Technical Assistance Facility (TAF) enhance commercial viability and market development, with dividend payments to SEFA expected from 2028/29. The Fund's equity tranche, by leveraging additional debt at the fund level, will also support AGGF to scale.

Recommendations

1. SEFA should produce a ToC diagram that communicates how their first loss interventions produce reduced risk for senior investors and leveraged funding as intermediate outcomes.
2. SEFA and Funders should help communicate successful renewable energy in Africa investment outcomes to potential investors and the general public. This could include publishing articles in the financial press.
3. Funders should engage with African governments to strengthen opportunities for co-investment from local pension funds with SEFA.

2.0 Introduction

2.1 Background

SEFA is a multi-donor Special Fund managed by the AfDB with a mandate to provide catalytic finance that unlocks private sector investment in renewable energy and energy efficiency across Africa. It aims to mobilise private sector capital, providing a range of risk mitigation support and TA. SEFA is the only Africa-led multi-donor trust fund dedicated to the energy transition in SSA. Under ARCAN, FCDO funds all three SEFA workstreams: green baseloads, green mini grids, and energy efficiency.

SEFA plays an important role in supporting sustainable energy transitions across Africa by providing a combination of Concessional Investments (CI) and TA. SEFA's mandate is explicitly to operate in segments and market conditions where fully commercial financing is not yet viable, with concessionality deployed to address market failures. SEFA's interventions aim to catalyse private sector participation and enable policy and regulatory environments conducive to clean energy investments. However, assessing the impact and effectiveness of SEFA's support has proven challenging when relying on the indicators in the ARCAN Results Framework. These indicators do not fully capture the breadth of SEFA's influence or the qualitative aspects of its interventions.

The ARCAN Phase 1 midline evaluation underscored the strong relevance of SEFA's activities to the renewable energy market in SSA. However, it also identified gaps in understanding the complexity of SEFA's projects, as well as limitations in SEFA's operating model and institutional arrangements that could constrain future scale-up. One of the key recommendations was to further interrogate the SEFA ToC to clarify its pathways to impact. The global literature review similarly found that the ARCAN Business Case underestimated the time required for renewable energy projects in Africa to reach project preparation, and that the overall environment for mobilising private sector finance had deteriorated. Given the longer timescales typical of energy access investments, evidencing effectiveness and impact is challenging, reinforcing the need to understand SEFA's investments in greater depth. In response to this challenge, FCDO identified a need for additional qualitative evidence to supplement the existing results framework.

2.2 Scope and objectives

The mini case studies presented below are the result of TA provided by FCDO to deepen the understanding of selected SEFA-supported projects and to illustrate the impact pathways outlined in the ToC (Figure 1).¹⁴ It is currently not clear how activities shown in the ToC translate to outputs and hence to the outcome. The mini case studies therefore focus on how SEFA supports the derisking of investments and the mobilisation of private finance to enhance renewable energy supply in Africa, including likely impacts on sustainability of infrastructure and investments.

The two SEFA 2.0 projects below were selected for the mini case studies as they are relatively mature and illustrate results across multiple outcome and output areas.

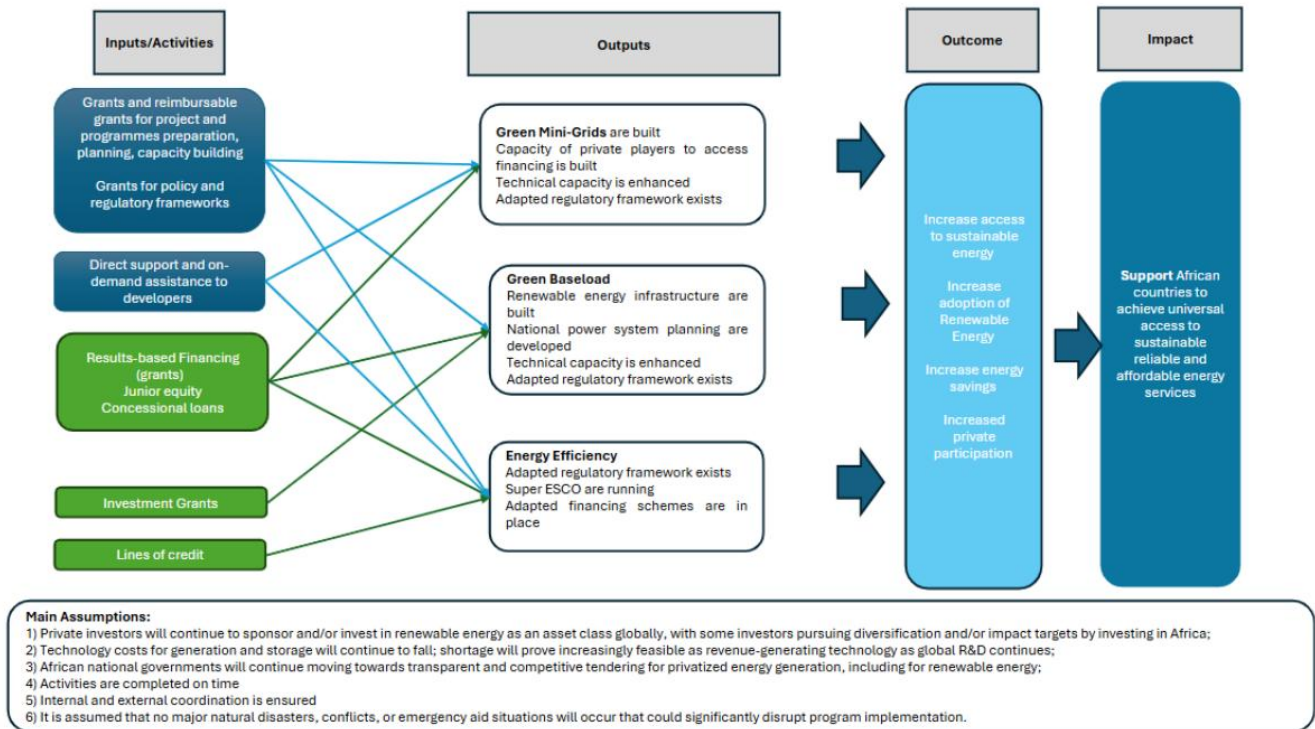
- **CRP** was initially a USD 20 million initiative to help off-grid energy companies across Africa withstand and recover from the impacts of the COVID-19 pandemic. The platform supports firms that provide solar home systems, mini-grids, clean cooking and related energy-access solutions that were facing liquidity shortages, supply-chain disruption, and reduced customer demand during the pandemic.¹⁵

¹⁴ Econoler (2025) SEFA Mid-Term Review, Final Report.

¹⁵ SEFA shared a note on CRP containing information from the project appraisal and progress reports on 20th November 2025. This shall be referenced throughout as CRP SEFA Note, 2025.

- **AGGF** is a pan-African debt fund designed to accelerate private investment in Energy Efficiency (EE) and low-carbon technologies across SSA. With a target size of approximately USD 300 million, AGGF provides tailored debt financing to commercial and industrial borrowers, project developers, and financial institutions investing in energy-saving technologies. The Fund's focus spans four key sectors: green appliances and industrial efficiency, green buildings, and green transport.¹⁶

Figure 1: SEFA ToC



3.0 Approach and methodology

3.1 Evaluation questions

In order to explore the impact pathways of the ToC, we developed specific Evaluation Questions (EQs) for the mini case studies, building on the existing ARCAN MEL evaluation framework (Annex 2).

- To what extent have SEFA-supported projects contributed to de-risking investments and improving renewable energy supply in Africa (e.g., through AGGF and CRP)? What is likely to have happened to these investments without SEFA support?
- To what extent have SEFA-supported projects mobilised or secured private finance to expand renewable energy supply in Africa (e.g., through AGGF and CRP)? How instrumental was SEFA support to securing this financing and what is likely to have happened without it?
- What are the reasons behind any successes / barriers – including contextual factors?
- What are the main risks to these investments, and how appropriately are they being mitigated?

¹⁶ SEFA shared a note on AGGF containing information from the project appraisal and progress reports on 20th November 2025. This shall be referenced throughout as AGGF SEFA Note, 2025.

- To what extent are SEFA-supported projects and financing models scalable and sustainable, and how has SEFA's engagement influenced their long-term viability?

These EQs allowed us to focus on the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) criteria of effectiveness, impact and sustainability within the resources available for the mini case studies. Annex 3 provides details on which case study EQs address which OECD DAC criteria. The selected EQs also allowed us to consider likely contributions to transformational change. These EQs were approved by FCDO before data collection began. The sustainability questions in Annex 3 have been consolidated into a single question to streamline the analysis, avoid repetition, and reflect the available evidence on the sustainability of SEFA investments.

3.2 Research design

The SEFA mini case studies are intended to be concise assessments drawing primarily on a targeted document review and a limited number of KIIs. As this work commenced later than the other ARCAN Phase 2 case studies, this resulted in a compressed timeline for delivery.

Data collection and analysis

- **Activity 1: Desk review.** The ARCAN MEL Unit reviewed existing documentation (including SEFA annual and semi-annual reports, as well as the SEFA 2.0 Mid-Term Review) to identify available evidence and inform the development of data collection tools (e.g., semi-structured interview guides). The team also requested additional project-specific documentation from SEFA, such as project appraisal reviews and investment papers. SEFA shared notes on both projects containing information from project appraisals and progress reports.
- **Activity 2: Primary data collection.** The team conducted three KIIs with SEFA staff and fund managers.
- **Activity 3: Analysis.** An evidence review matrix was used to synthesise secondary data and interview insights (see Annex 6). Evidence from documents and KIIs was mapped against each EQ. This facilitated a structured review and analysis of findings across all EQs and enabled comparison of evidence.
- **Activity 4: Verification.** The first draft of this report was shared with the SEFA team for verification and review in January 2026. Following their feedback, the authors made minor revisions to address any factual inaccuracies.

Limitations

Limitations of the approach should be considered when interpreting the findings:

- The SEFA mini case studies are a TA component and therefore not a full evaluative case study, unlike the other Phase 2 midline case studies.
- The mini case studies began in November with one month for completion, which limited the depth of the research. This resulted in limited time to review documents and restricted the number of KIIs.
- The scope of this work was limited to two SEFA 2.0 investments; therefore, the findings are specific to these cases and should not be generalised to the full portfolio.
- Certain information presented in this report has been provided by the Fund Managers. While the Fund Managers seek to ensure that the information supplied is accurate and up to date, they make no representations or warranties of any kind, expressed or implied, about the completeness, accuracy, reliability, suitability or availability with respect to the information or graphics included in the report. Readers should exercise their own

judgement when interpreting and relying on this information. The Fund Managers accept no liability for any loss or damage arising from the use of, or reliance on, the information contained in this report.

4.0 Findings

4.1 Background

4.1.1 CRP

The CRP was launched in December 2020 by the AfDB to address the unprecedented challenges faced by Africa's off-grid energy sector due to the COVID-19 pandemic. The pandemic severely disrupted supply chains, reduced consumer purchasing power, and threatened the financial stability of Energy Access (EA) companies, risking a reversal of progress toward universal energy access across the continent.¹⁷

Anchored by an initial USD 20 million contribution from SEFA, CRP was designed as a catalytic mechanism to mobilise private capital for relief and recovery. The platform's overarching objective is to mitigate the negative impacts of the pandemic on Africa's EA industry by unlocking flexible financing that safeguards operations, supports commercial recovery, and enables a green economic transition toward low-carbon development.¹⁸ Recognising that the pandemic's effects were deeper and more prolonged than anticipated, compounded by macroeconomic challenges, the AfDB Board approved an expansion of CRP in September 2022, which included an additional USD 13 million from the GEF and USD 7 million from SEFA, bringing SEFA's total contribution to USD 27 million. This expansion aimed to provide recovery funding at a level sufficient to prevent insolvency among EA companies and sustain momentum in energy access delivery.¹⁹ Figure 2 provides an overview of CRP's portfolio coverage in Africa.

CRP increases access to more affordable, flexible financing for off-grid energy companies impacted by the crisis to support their strong recovery. CRP was designed to enable a range of different investment strategies and instruments to support diverse business needs across the EA industry. CRP falls under the Green Mini Grids (GMG) window of SEFA's ToC (Figure 1).

Figure 2: CRP Portfolio Coverage, with CRP investments highlighted in green



¹⁷ CRP SEFA Note, 2025.

¹⁸ CRP SEFA Note, 2025.

¹⁹ CRP SEFA Note, 2025.

CRP channels USD 40 million in concessional capital from SEFA and GEF through five specialised investment funds, which is blended with their commercial capital on a minimum 1:1 co-financing ratio under *pari passu*²⁰ and risk-sharing terms.²¹ The partner funds include:

- ▶ Energy Entrepreneurs Growth Fund (EEGF) – managed by Triple Jump.
- ▶ Facility for Energy Inclusion Off-grid Energy Access Fund (FEI OGEF) – managed by Cygnum Capital.
- ▶ SIMA Off-Grid Solar and Financial Access Senior Debt Fund I, B.V. (SIMA Fund I) – managed by SIMA.
- ▶ SIMA Angaza Distributor Finance Fund (SIMA DFF) – managed by SIMA.
- ▶ SIMA Commercial & Industrial Solar Green Bond B.V. (SIMA C&I) – managed by SIMA.

By leveraging the expertise and ingenuity of several specialist EA investment funds, CRP's platform approach provides a mechanism to unlock commercial capital of existing EA lenders (investment funds) for a specific purpose, enables larger volumes of transactions in a relatively short amount of time, and a broader geographic coverage and a wider range of financial solutions in support of the diverse business needs across the EA industry.

EEGF focuses on addressing energy access challenges in SSA. Aligned with Sustainable Development Goal (SDG) 7, EEGF targets four key segments: Solar Home Systems (SHS), C&I solutions, mini-grids, and technology enablers including productive uses of energy. Established in 2019, EEGF launched with a strategy centred on mezzanine and hybrid financing instruments. This approach emerged from a critical market gap: while senior debt was widely available, there was a shortage of junior capital to absorb risk and unlock that debt. Although EEGF allocates around 20% to direct equity, its primary focus is on bridging layers of capital without triggering exit or liquidity concerns. Typical investment ticket sizes range from \$1 million to \$10 million. EEGF plays a vital role in the “missing middle” aiming to support companies that have outgrown early-stage funding but are not yet ready for large-scale financing. Beyond capital, EEGF also provides non-financial support through its engine room support funded by management fees. This includes interim finance functions, IT support, and operational assistance for smaller-scale businesses.²²

4.1.2 AGGF

AGGF is a debt fund designed to accelerate Africa's clean energy transition and climate resilience. AGGF is a part of the Energy Efficiency window within SEFA's ToC (Figure 1). Launched in 2021, with the support of the German Federal Ministry for Economic Cooperation and Development (BMZ) through KfW, AGGF is recognised as a flagship initiative under the G20 Compact with Africa. AfDB participates as a senior equity investor alongside SEFA, which contributed USD 10 million in junior equity.²³

Junior equity provided by SEFA, alongside KfW, Climate Investment Funds (CTF), and Nordic Development Fund (NDF), has a first loss function – these funds are drawn on first if companies run into trouble – making it much less risky for senior investors, who are partially shielded from losses. Senior investors also have the first claim on repayment and dividends. Junior equity from KfW and SEFA is intended to leverage larger amounts of funding from investors who would normally find it too risky to invest in EE in Africa given the returns on offer.

²⁰ *Pari passu* (Latin for "on equal footing") risk sharing means that multiple investors rank equally, sharing available assets or proceeds proportionately (*pro rata*) in proportion to their claims, without preference or priority over each other, especially during default or liquidation.

²¹ CRP SEFA Note, 2025.

²² Interview with fund manager, 2025.

²³ AGGF SEFA Note 2025; Information from an email received from SEFA on 4th November 2025.

AGGF is structured as a USD 300 million first-generation closed-ended EE debt fund with a 15-year Fund life and a 10-year investment period. Managed by CygCap AM, the Fund aims to build a diversified portfolio of 25–35 borrowers across Africa, with average loan tenors ranging between 5 to 10 years. Its capital structure includes loss-absorbing junior equity, ordinary equity, and senior debt, complemented by a TAF to support project development, transaction advisory, and capacity building for market actors.²⁴ As of Q3 2025, the fund has committed USD 168 million, with an outstanding portfolio of USD 102 million, supporting 27 active investments across 22 companies operating in 18 African countries.²⁵ Total commitments to the Fund are expected to increase, raising additional debt into the Fund and the maximum fund size at around \$280-320 million, based on current equity levels.²⁶

AAGF aims to deliver substantial energy savings and greenhouse gas emissions reductions, while ensuring that all supported projects are climate-resilient and aligned with the objectives of the Paris Agreement. In addition, the Fund promotes job creation, particularly for women, to foster more inclusive and sustainable economic growth.²⁷

4.2 To what extent have SEFA-supported projects contributed to de-risking investments and improving renewable energy supply in Africa? What is likely to have happened to these investments without SEFA support?

4.2.1 CRP

SEFA's rapid response at the outset of COVID-19 led to CRP delivering essential liquidity at a time of acute uncertainty. CRP support directly contributed to de-risking investments in the EA sector. Interviews with stakeholders suggested that, without CRP, many companies would likely have failed or faced such elevated risk profiles that external investment would have been unattainable.²⁸ The strategic foresight to address the long-term implications of younger companies being starved of cash contributed to strengthening the resilience of Africa's energy supply sector.²⁹ Through CRP, 34 companies were able to access funding and maintain investments, with more in the pipeline, enabling them to stay afloat during challenging conditions and withstand financial pressures. SEFA played an important role in ensuring the CRP remained bankable by providing strategic and catalytic investments as the financial standing of companies was threatened by the impact of COVID-19 – including loss of sales revenue and escalating costs due to supply chain disruptions.³⁰

According to SEFA reporting, CRP is on track to achieve its targeted development impact. As of Q3 2025, CRP investments have resulted in 30 Megawatt (MW) of installed capacity, over 1.2 million new connections providing electricity access to over 6.1 million people, a reduction of Greenhouse Gas (GHG) emission of 1,090,095 tonnes of carbon dioxide equivalent (tCo2), and the creation of over 800 new jobs, of which 345 are filled by women.³¹ Targets have already been exceeded for the number of households and the number of beneficiaries with increased access to clean energy, as well as commercial capital co-invested by partner funds (see Figure 3).

²⁴ AGGF SEFA Note, 2025; Interview with fund manager, 2025.

²⁵ AGGF SEFA Note, 2025.

²⁶ This figure is based on targets.

²⁷ AGGF SEFA Note, 2025.

²⁸ CRP SEFA Note, 2025; Interviews with SEFA and fund managers, 2025.

²⁹ Interviews with SEFA and fund managers, 2025.

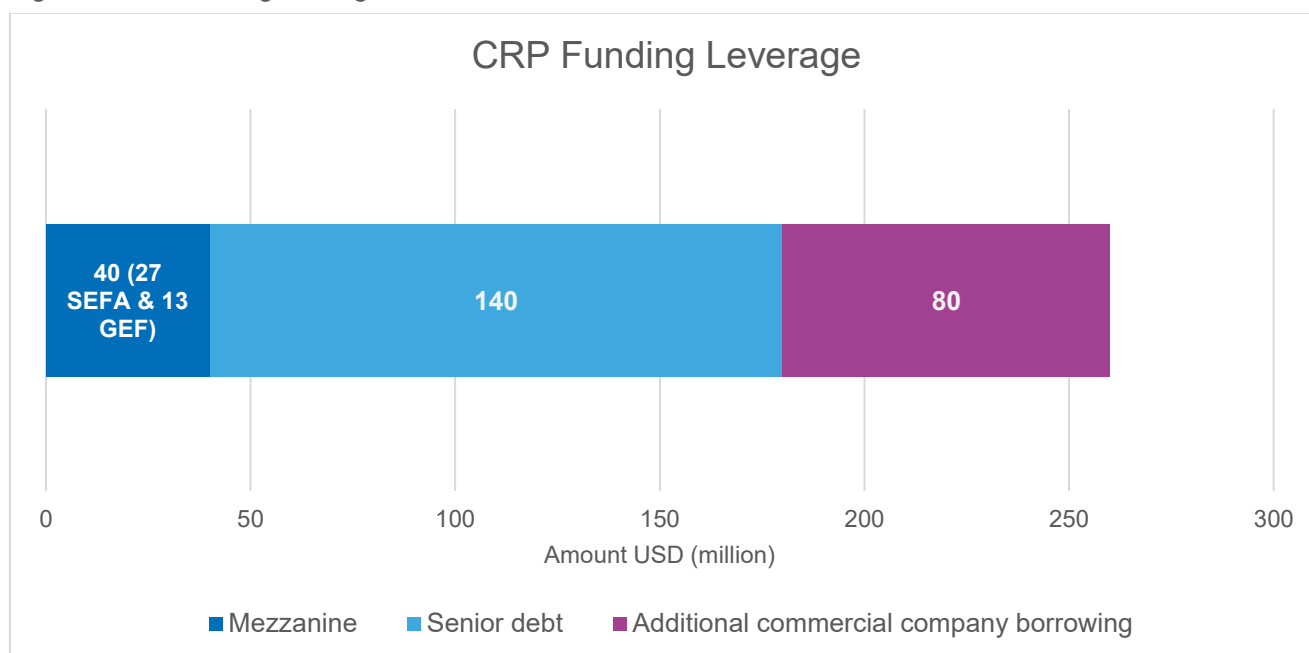
³⁰ Information from email/comments received from SEFA Nov 2025, Jan 2026.

³¹ CRP SEFA Note, 2025.

SEFA's investment through concessional debt (0% interest, up to six-year terms) enables a range of different investment strategies and instruments to support diverse business needs across the EA industry. Figure 3 illustrates CRP funding leverage.

- ▶ The GEF committed US\$13 million alongside SEFA's US\$27 million in 2022.³²
- ▶ Five selected partners provided additional funding. While the minimum 1:1 co-investment requirement would imply a contribution of at least \$40 million from the Partner Funds' own capital, they have already committed \$80 million, highlighting the strong leverage effect of CRP. CRP's deployment of concessional capital for blending and co-investment enabled partners to continue lending at risk-adjusted rates, ensuring affordable financing for EA companies without jeopardising company or market growth.³³
- ▶ As a result of these investments by the Partner Funds, additional capital was subsequently raised at the investee level, aggregated at US\$140 million (senior debt).³⁴

Figure 3: CRP funding leverage



The evidence suggests that many of these CRP investments are unlikely to have materialised without SEFA's support. More specifically, without SEFA's concessional capital, particularly its pricing, tenor, and risk-absorbing features, many of these investments would have been delayed, downsized, or priced beyond affordability for energy access companies during the pandemic. SEFA's US\$27 million acted as a critical de-risking mechanism, enabling transactions that otherwise would have been considered too high-risk. There were two drivers of de-risking. Firstly, the CRP concessional capital, blended and co-invested with Partner Fund capital, functions as a derisking instrument, enabling Partners to continue lending to the sector at risk-adjusted rates and keeping capital flowing to companies, while ensuring that lending remains affordable for companies (through the blended rates). For example, in one case, mezzanine investment for a Fund acted as a form of quasi equity, allowing senior debt investors (the main providers of loans) to meet their lending rules and provide debt finance to relatively early-stage companies in risky environments. Secondly, blending concessional CRP and commercial finance reduced the interest rate that companies had to pay for debt by a few percentage points. This sometimes

³² CRP SEFA Note, 2025; Interview with SEFA, 2025.

³³ CRP SEFA Note, 2025.

³⁴ Interview with SEFA, 2025.

made the difference between taking affordable loans rather than rejecting unaffordable loans, and as highlighted by one interview participant, made it possible to consider deals.³⁵

While SEFA's support via CRP clearly provided a liquidity lifeline at a critical time, what remains uncertain is whether this assistance bought companies time or created a sustainable platform for long-term success. The CRP portfolio includes pay-as-you-go SHS providers, C&I solar developers, and other solutions such as solar-powered irrigation. Contributions range from USD 350,000 to USD 2.6 million for growth-stage companies, alongside smaller ticket sizes of USD 15,000 to USD 150,000 for 13 local distributors. As of Q3 2025, USD 11 million has been repaid to SEFA, signalling repayment progress. Commercial sustainability is incentivised by selecting Partner Fund managers with a good track record and requiring co-investment (commercial capital) from the Partner Fund on a minimum 1 to 1 basis on pari-passu risk sharing terms, aligning interests, ensuring skin in the game and encouraging funds to be deployed on sound investment principles. Nonetheless, CRP was designed to take on high risk (pandemic-induced unusually large uncertainties, higher risks and weakened financial positions³⁶) and accept a limited capital loss. While most capital will be repaid over time, stakeholders noted that three companies faced significant challenges, resulting in restructuring, acquisition, or bankruptcy. A recurring concern raised by stakeholders is the lack of equity investment to complement debt financing for scaling businesses (see below). The SEFA Mid-Term Review (MTR) echoes this, highlighting that while SEFA's instruments remain contextually relevant, greater early-stage equity and guarantees are needed to de-risk projects and attract commercial capital. The MTR also underscores the market's continued need for sustained concessional finance.³⁷

4.2.2 AGGF

SEFA has contributed to AGGF's catalytic role in de-risking investments and leveraging additional funding. AGGF benefits from a strong equity capital structure, including an US\$80 million junior equity tranche provided by four investors, one of which is SEFA. By providing a first-loss layer of junior capital, SEFA helped to reduce perceived risk for senior equity and debt providers, thereby reassuring investors and lenders by lowering the overall cost of capital. This structure allows AGGF to offer competitive financing solutions for EE projects, which are often hindered by high market pricing³⁸ (very high required rates of return that are unaffordable for EE businesses with lower profit margins). This structure has enabled AGGF to raise an additional US\$45 million in ordinary equity and secure US\$40 million in senior debt commitments. Total commitments to the Fund are expected to increase, raising additional debt into the Fund and the maximum fund size at around \$280-320 million, based on current equity levels.³⁹ While KfW's anchor investment of US\$50 million in junior equity was the primary driver for attracting additional equity, SEFA's US\$10 million contribution added credibility and improved the risk-return profile.

³⁵ Interview with fund manager, 2025.

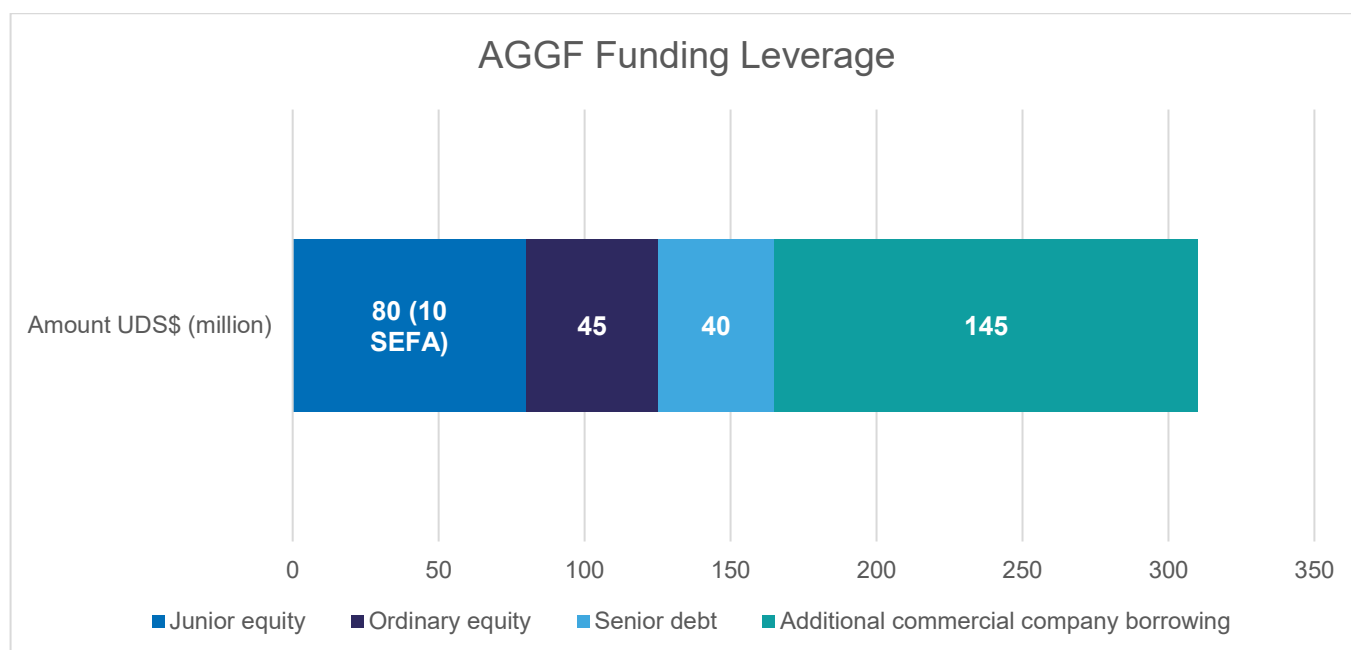
³⁶ Interview with SEFA, 2025.

³⁷ Econoler (2025) SEFA Mid-Term Review, Final Report.

³⁸ AGGF SEFA Note, 2025.

³⁹ This figure is based on targets.

Figure 4: AGGF funding leverage



In addition, SEFA / AfDB were also involved in market building activities contributing to the development of AGGF. SEFA spearheaded the development and establishment of the FEI and OGEF through a US\$1 million grant, following which Cygnum Capital was appointed as Fund Manager through a competitive selection process. These vehicles were among the first dedicated debt funds focused on small-scale renewable energy in Africa and were anchored by approximately US\$100 million in equity and debt commitments from AfDB. SEFA / AfDB also mobilised significant additional commitments from the European Commission, CTF, and GEF, which commitments are managed by AfDB. This is another area where SEFA has added value to AGGF.

The full potential of AGGF to leverage private capital has not yet been realised. Interviews suggest that the fund should be able to leverage more funding from outside investors than it currently does, based on equity of US\$125 million and senior debt currently of US\$40 million. It should be noted that the equity-first and gradual debt mobilisation reflect deliberate fund sequencing and market conditions. A senior debt fundraising campaign is underway, with expectations of raising an additional US\$80-120 million in the next 12-24 months.⁴⁰ This is an important measure of success and would bring AGGF closer to a traditional 60:40 debt-to-equity ratio, further strengthening its financial position.

According to SEFA reporting, AGGF is contributing towards development impact targets. As of 2024, investments have resulted in 20,122 direct jobs, 60 MW new renewable power capacity installed capacity, 463,053 households and 2.3 million people connected to electricity, clean cooking and / or green appliances.⁴¹

In addition to risk mitigation, there is evidence of AGGF working with local banks – although local bank investment is narrowly focused. AGGF contributes to building opportunities in local markets through co-financing with local banks and building their capacity in lending to companies operating in the EE sector.⁴² However, there appears to be much more interest from local banks in particular “more investable” EE sectors (telecoms and green real estate) than in more industrial and commercial EE projects.⁴³ For example, one participant highlighted how the telecoms sector continues to be resilient, even during periods of unrest, with rural

⁴⁰ Interview with fund manager, 2025.

⁴¹ AGGF SEFA Note, 2025.

⁴² AGGF SEFA Note, 2025.

⁴³ Interview with fund manager, 2025.

villages protecting their telecoms in order to have access to mobile services, money transfer and access to finance.⁴⁴

4.3 To what extent have SEFA-supported projects mobilised or secured private finance to expand renewable energy supply in Africa? How instrumental was SEFA support to securing this financing and what is likely to have happened without it?

4.3.1 CRP

There is evidence that CRP has mobilised and secured private finance to expand renewable energy supply in Africa – primarily from specialist investment funds rather than African banks. SEFA's US\$27 million investment acted as a catalyst, attracting US\$13 million from the GEF and an additional US\$80 million from five private sector partners, whose participation was enabled by SEFA's concessional 0% interest loans that improved the risk-return profile and pricing of these investments. At the investee level, approximately US\$140 million in senior debt was secured, predominantly from specialist private investment funds. It should be noted that investee-level outcomes are also influenced by sector bankability and other factors, and are not an exclusive function of the Fund's equity base. While Development Finance Institutions (DFIs) also provided senior level debt, there is limited evidence to suggest that private sector African banks have been mobilised.⁴⁵

Stakeholder interviews confirm that SEFA's support was instrumental in securing financing during the COVID-19 crisis, acting as a catalyst for other investors to commit. At a time when macroeconomic shocks severely reduced investor risk appetite, SEFA's intervention helped unlock deals that would otherwise not have been viable. Without this support, the liquidity crises faced by portfolio companies, driven by revenue collapse against fixed overheads, would likely have jeopardized business viability and, in many cases, led to insolvency.⁴⁶

4.3.2 AGGF

In addition to direct lending, AGGF has enabled portfolio companies to raise approximately US\$145 million in senior debt for expansion. This mainly benefitted a small number of more commercially attractive companies. The Fund's investments and the presence of high-quality investors have enabled portfolio companies to raise approximately US\$165 million in senior debt, partly on a pari passu basis with AGGF loan investments.⁴⁷ Whilst a significant amount of senior debt, most of this was concentrated in two high-performing portfolio companies operating in telecoms infrastructure and green real estate – sectors that have proven attractive to regional commercial banks and DFIs.⁴⁸ Other portfolio companies have secured smaller amounts of external financing (typically US\$5-10 million, mainly from DFIs).⁴⁹ The inclusion of SEFA's US\$10 million equity commitment was probably not decisive for the success of the original equity raise (USD80m+USD40m) described above. However, SEFA's participation added credibility and signalled confidence to other investors, likely attracting additional capital that might not have materialised otherwise.⁵⁰ A key element of SEFA's value proposition is its in-depth understanding of regional dynamics, such as security risks and how these shape investment decisions.

⁴⁴ Interview with fund manager, 2025.

⁴⁵ Interview with SEFA, 2025; Information from an email received from SEFA on 4th November 2025.

⁴⁶ Econoler (2025) SEFA Mid-Term Review, Final Report.

⁴⁷ Interview with fund manager, 2025.

⁴⁸ Interview with fund manager, 2025.

⁴⁹ Interview with fund manager, 2025.

⁵⁰ Econoler (2025) SEFA Mid-Term Review, Final Report.

These localised insights strengthen the design and delivery of interventions, helping to ensure that funding is channelled toward context-appropriate and sustainable solutions.⁵¹

Despite these achievements, fundraising conditions remain challenging, reflecting broader structural constraints in the market in which SEFA operates. Commercial banks often prefer short-term loans (3–5 years), whereas renewable energy projects typically require longer-term financing. This mismatch, combined with the high cost of commercial debt on offer and limited understanding of energy sector risks, constrains broader private sector participation.⁵²

4.4 What are the reasons behind any successes / barriers – including contextual factors?

4.4.1 CRP

The evidence highlighted three key areas contributing to the **success** of CRP.

- ▶ **Leverage effect:** CRP's concessional capital, co-invested alongside Partner Fund capital and subject to a minimum co-investment requirement, enables Partner Funds to enter transactions they would otherwise not have been able to pursue, while reducing the cost of commercial debt. This contributes to a strong catalytic effect, encouraging co-investment and mobilising additional financing beyond CRP's initial commitments. Further leverage has been achieved by attracting new investors to portfolio companies, increasing overall investment into the sector.⁵³ In the context of COVID-19, this additional liquidity was critical to sustaining operations.
- ▶ **Expertise:** CRP's selected partners brought deep sectoral and regional expertise, enabling strong deal origination, rigorous risk analysis, and effective ongoing monitoring. Their understanding of local markets and business dynamics ensured high-quality deal flow and portfolio management.⁵⁴
- ▶ **Alignment of interests:** The minimum co-investment requirement from Partner Funds, and the CRP contribution being invested on matching terms and conditions and *pari passu* risk-sharing basis, differing only in return profiles (commercial returns for Partner Funds blended with concessional terms on CRP's contribution), ensured skin in the game and alignment of interest. Importantly, all investors shared a commitment to patient, flexible, and risk-tolerant capital, essential for supporting companies in Africa's high-risk energy supply sector.⁵⁵

The evidence also highlights some **challenges** encountered during the implementation of CRP. It should be noted that the barriers identified below form part of SEFA's underlying rationale for intervention and should not necessarily be viewed as exogenous constraints for the Fund to address.

- ▶ **Structural complexity:** At the investee level, bespoke financing structures combined with senior debt provisions from private investors often resulted in lengthy legal due diligence and complex intercreditor arrangements to be negotiated by Partner Funds. While manageable, these negotiations delayed disbursements and exacerbated liquidity shortfalls at critical times.⁵⁶ More generally and beyond CRP, for new targets, this complexity could be a prohibitive drain on management resources at the Partner Fund Level.

⁵¹ ARCAN MEL Unit (2025) Phase 1 Midline Report.

⁵² AGGF SEFA Note, 2025; Interview with fund manager, 2025.

⁵³ Interviews with SEFA and fund managers, 2025.

⁵⁴ Interview with fund manager, 2025.

⁵⁵ CRP SEFA Note, 2025; Interviews with SEFA and fund managers, 2025.

⁵⁶ CRP SEFA Note, 2025.

- ▶ **Limited equity market:** Evidence highlighted SSA's thin equity market as a persistent challenge. While SEFA's concessional loans were highly valued, in the case of one Partner Fund, their quasi-equity nature effectively positioned them as the "first loss piece" in insolvency scenarios. Repayment was expected to be supported by new equity injections into successful companies; however, with equity providers scarce, repayment is more likely to rely on operating cash flows, extending CRP's investment horizon beyond initial expectations. One stakeholder noted that a shortage of equity is a significant challenge. As equity investors have become more hesitant, this has in turn constrained the flow of mezzanine and senior debt.⁵⁷
- ▶ **Market immaturity:** Africa generally remains a niche financing market characterised by weak legal and regulatory frameworks and elevated political risks. While SEFA has made meaningful contributions to mitigating these challenges, market immaturity remains a long-term barrier to scaling private investment.⁵⁸ Serving low-income customers in challenging geographies can be difficult. There are low profit margins and companies face longer journeys to optimise operations, achieve economies of scale and eventually net income for the shareholders. Pathways to profitability of companies will be important to scale and attract more private investment. National governments have the primary role in strengthening the enabling environment to encourage private investment.

4.4.2 AGGF

The evidence highlighted three key areas contributing to the **success** of AGGF.

- ▶ **KfW:** KfW's role as an anchor investor built on earlier debt-fund investment in small-scale renewable energy by SEFA and AfDB. KfW's approximately US\$50 million commitment provided strong momentum and credibility during AGGF's initial fundraising.⁵⁹ As a global market leader with a proven track record, in-house expertise, and long-term strategic vision, KfW offered significant comfort to other investors.
- ▶ **Fund term:** AGGF's 15-year Fund life (extendable by two years with investor approval) caters for longer dated loans in project finance structures, as well as allowing innovative and early-stage portfolio companies sufficient time to grow without the cash flow pressures typical of shorter fund lifecycles.
- ▶ **Strong equity base:** The US\$125 million raised in junior and ordinary equity provides stability and a long-term perspective for AGGF. While currently under-leveraged, this equity base creates strong potential for future debt leveraging, enabling additional investments into the Fund.

The evidence also identified some **challenges** encountered by AGGF. It should be noted that the barriers identified below form part of SEFA's underlying rationale for intervention and should not necessarily be viewed as exogenous constraints for the Fund to address.

- ▶ **Underleverage:** The modest debt / equity ratio at first closing reflects the immaturity of African markets. Investor reluctance toward "Africa-only" funds has shaped AGGF's capital structure and it has been necessary to take an equity-first and gradual debt mobilization approach. Future success hinges on securing senior debt, which interviews suggest is achievable given AGGF's proven investment process and pipeline – though challenges remain significant.⁶⁰
- ▶ **Thin equity market:**

⁵⁷ Interview with fund manager, 2025.

⁵⁸ Interviews with SEFA and fund managers, 2025.

⁵⁹ Interview with fund manager, 2025.

⁶⁰ Interview with fund manager, 2025.

- ▷ AGGF's investments often resemble quasi-equity, effectively acting as the “first loss piece” in insolvency scenarios.
- ▷ Returns may not fully reflect risk profiles. Investors claim that they can achieve the same returns with lower risk outside Africa (or higher returns for the same risk).⁶¹ Generating higher returns from EA is unlikely in the foreseeable future as end-users cannot pay more. This underscores the need for highly targeted concessional funding.
- ▶ **Narrow mandate:** It is difficult to overcome general perceptions that Africa is too risky for investment held by commercial institutions. Interviews confirm that while institutional investors (e.g., insurers, pensions) support climate mandates, many avoid Africa-only funds despite robust compliance standards and relatively low default rates compared to other emerging markets.⁶² The success of AGGF (and similar funds) needs to be communicated more effectively to better educate investors. However, there may also be case for allowing wider mandates to enable funds to spread risks across emerging markets as well as Africa.

4.5 What are the main risks to these investments, and how appropriately are they being mitigated?

For both CRP and AGGF, the evidence suggests three main risks to investments moving forward.

- ▶ **Macroeconomic risks:** Economic underperformance, inflation, and currency volatility pose significant threats to portfolio companies, particularly where loans are denominated in hard currency (e.g., US\$) while revenues are in local currency. Depreciation can erode margins and lead to insolvency. This risk is heightened in Africa's nascent energy access markets, which already face volatility and political uncertainty.
- ▶ **Business risks:** Portfolio companies remain vulnerable to unforeseen challenges such as new competition, product obsolescence, rising supply costs, and wage inflation. These factors can compress margins, impair debt servicing capacity, and constrain growth. These risks are not specific to the companies supported by CRP and AGGF.
- ▶ **Fraud and transparency risks:** As a result of COVID-related travel restrictions, in one case, a loan was made with limited on-site due diligence.⁶³ This increased exposure to potential fraud and weak governance. Despite this, both projects did not report any compliance-related incidents.

These risks are being mitigated through reporting by portfolio companies to investors, early intervention by investors, such as providing business support or restructuring debt maturities to ease balance sheet pressure, and proactive oversight. SEFA has selected partners with strong experience in managing investments and deep understanding of the sector, including conducting due diligence, adhering to Environment, Social and Governance (ESG) policies, implementation of transparent reporting systems and the capability to intervene when performance falls below expectations. In addition, the partners' regional presence, strong local market networks, and (post-COVID) regular site visits further support effective risk mitigation. Standard “know your customer” and “anti-money laundering” policies are also in place to minimise broader fraud risks.⁶⁴

⁶¹ Interview with fund manager, 2025.

⁶² Interview with fund manager, 2025.

⁶³ Interview with a fund manager, 2025. Feedback from SEFA / AfDB suggests this does not hold for the portfolio as a whole.

⁶⁴ Interviews with SEFA and fund managers, 2025.

4.6 To what extent are SEFA-supported projects and financing models scalable and sustainable, and how has SEFA's engagement influenced their long-term viability?

4.6.1 CRP

CRP risk sharing deployment of capital across five Partner Funds has helped to scale up lending. The platform approach has been effective in achieving scale by facilitating larger transaction volumes within short timeframes, expanding geographic coverage, and offering diverse financial solutions tailored to the varied needs of EA businesses. By leveraging co-financing arrangements with multiple partners on pari-passu risk-sharing terms, SEFA ensures commercial integrity and competitive pricing, while reducing market distortion.⁶⁵ In addition, scalability is further demonstrated by CRP's platform design, enabling it to scale from \$20 (initially approved) to \$40m concessional funding (including the second phase). This was aimed at providing recovery funding closer to the level required to avoid the insolvency of EA companies and sustain momentum in the in the energy access delivery.

Financial management capacity building via CRP has improved viability by addressing key weakness in some EA companies. One of the funds provides "engine room" support to strengthen financial management capacity and assist with fundraising. This included seconding a Chief Financial Officer (CFO) into an early-stage company, offering hands-on support that helped the firm professionalise its operations and enhance its governance, both of which are important for attracting future investment.⁶⁶

CRP enabled a number of EA companies to sustain operations during the pandemic and has opened up new lending to EA companies post pandemic. However, long-term viability depends on factors beyond CRP control. The provision of concessional capital through CRP has contributed to stabilising the sector during periods of acute liquidity stress, such as the pandemic, by enabling financiers to continue lending at reduced pricing. This intervention mitigated market uncertainty and prevented widespread collapse, reinforcing the sector's resilience. Nonetheless, sustainability remains challenged by persistent equity gaps, which constrain the ability of companies to attract senior debt and the other factors noted in section **Error! Reference source not found.** above. SEFA's use of mezzanine financing (via Fund managers) has partially addressed this issue by providing higher-risk capital at affordable rates, acting as a bridge rather than a substitute for equity. The SEFA MTR notes that more early-stage equity investments and guarantees are needed from entities such as SEFA to de-risk projects and attract commercial funds.⁶⁷ Given the lack of market maturity and some gaps in the enabling environment, mezzanine instruments are not a complete solution. However, they have been instrumental in keeping companies afloat and enabling continued operations during critical periods.

4.6.2 AGGF

AGGF demonstrates strong potential for both scalability and sustainability, with SEFA's engagement playing a role in shaping long-term viability. In terms of scalability, AGGF addresses a market gap by enabling investments that are typically challenging for larger institutions to manage, particularly smaller or "tinier" deals requiring intensive oversight. By supporting equity and debt funds and specialised facilities such as AGGF, SEFA extends financing to underserved segments that traditional DFIs provide limited financial support to directly themselves.⁶⁸ This targeted approach is essential for broadening access to EE finance across diverse markets.

⁶⁵ CRP SEFA Note, 2025.

⁶⁶ Interview with fund manager, 2025.

⁶⁷ Econoler (2025) SEFA Mid-Term Review, Final Report.

⁶⁸ Interview with fund manager, 2025.

AGGF is also continuing to scale, with the equity tranche in the Fund aiming to leverage additional debt investment at the Fund level.

Commercial sustainability is reinforced through AGGF's provision of flexible and tailored credit solutions, which enhance the viability of EE businesses. The TAF, while not directly financed by SEFA, complements this effort by improving deal readiness, strengthening investee capacity, and fostering market development. Importantly, AGGF is structured to begin paying dividends to SEFA from 2028/29, signalling that costs are being covered and surplus generated.⁶⁹ The 15-year Fund life provides stability and predictability, allowing sufficient time for portfolio maturation and market development.

⁶⁹ Interview with fund manager, 2025.

5.0 Conclusions and Recommendations

5.1 Conclusions

The existing SEFA ToC (Figure 1) does not fully represent the work done by SEFA. Both CRP and AGGF illustrate strategies to reduce the risk faced by private investors in renewable energy in Africa through provision of concessional debt and junior equity. This leaves SEFA taking the first loss if funded companies run into financial difficulty and this provides other investors, who would otherwise not take this risk or require much higher returns, the confidence to provide capital. Strong private fund management, careful due diligence and some TA to companies has produced mainly successful investments to date that have resulted in improved energy access and reduced emissions.

CRP played an important and unique role in helping renewable energy businesses to keep going during the pandemic. This role has subsequently broadened to catalyse private finance for business expansion and the examples we have looked at have proved successful in leveraging much larger private funding than that invested by SEFA. This is a successful example of blended finance.

AGGF can also point to successful investments, despite being fairly early on in the lifetime of the Fund. Leverage of private finance has not yet reached expected levels, but some funded companies have been highly successful, and the Fund expects to pay dividends to SEFA from 2028/29.

Despite these positive results, SEFA faces a number of challenges largely beyond its control. However, these case studies illustrate how SEFA is designed to operate precisely in market contexts characterised by high risk, limited equity, and structural financing constraints. Firstly, it is difficult to be agile when bespoke financing structures combined with senior debt provisions from private investors result in lengthy legal due diligence and complex intercreditor arrangements. Secondly, the expanding but still very limited equity market for renewable energy companies in SSA is a significant constraint on the expansion of companies backed by SEFA. Thirdly, national governments still have work to do in strengthening legal and regulatory frameworks and improving the enabling environment for private investment. This being said, many institutional investors (such as insurers and pension funds) that support climate mandates simply avoid Africa-only funds despite robust compliance standards and relatively low default rates compared to other emerging markets.

5.2 Recommendations

1. SEFA should produce a ToC diagram that communicates how their first loss interventions produce reduced risk for senior investors and leveraged funding as intermediate outcomes.
2. SEFA and Funders should help communicate successful renewable energy in Africa investment outcomes to potential investors and the general public. This could include publishing articles in the financial press.
3. Funders should engage with African governments to strengthen opportunities for co-investment from local pension funds with SEFA.

Annex 1: Original ToR – SEFA Mini Case Studies Concept Note

SEFA Mini Case Studies (TA): Concept Note

1. Background, scope and objectives

SEFA plays an important role in supporting sustainable energy transitions across Africa by providing a combination of concessional investments and technical assistance. SEFA's interventions aim to catalyse private sector participation and enable policy and regulatory environments conducive to clean energy investments. However, assessing the impact and effectiveness of SEFA's support has proven challenging when relying on the indicators in the ARCAN Results Framework. These indicators do not fully capture the breadth of SEFA's influence or the qualitative aspects of its interventions. In response to this challenge, FCDO has identified a need for additional qualitative evidence to supplement the existing results framework.

The objective of this TA is to generate a richer understanding of SEFA's impact by providing qualitative evidence through two mini case studies. These case studies aim to deepen understanding of selected SEFA-supported projects and to illustrate the impact pathways outlined in the Theory of Change (ToC). The two SEFA 2.0 projects below were selected for the mini case studies as they are relatively mature and illustrate results across multiple outcome and output areas.

- ▶ **AfricaGoGreen Fund (AGGF)** is a pan-African debt fund designed to accelerate private investment in energy-efficiency and low-carbon technologies across Sub-Saharan Africa. With a target size of approximately USD 174 million, AGGF provides tailored debt financing to commercial and industrial borrowers, project developers, and financial institutions investing in energy-saving technologies.
- ▶ **The COVID-19 Off-Grid Recovery Platform (CRP)** is a USD 20 million initiative to help off-grid energy companies across Africa withstand and recover from the impacts of the COVID-19 pandemic. The platform supports firms that provide solar home systems, mini-grids, clean cooking and related energy-access solutions that were facing liquidity shortages, supply-chain disruption, and reduced customer demand during the pandemic.

2. Case study methodology

The SEFA mini case studies will be a concise piece of work primarily drawing on a document review and a limited number of KIIs. This work was initiated later than the other ARCAN Phase 2 case studies, resulting in a compressed timeline for delivery. The mini case studies will focus on how SEFA supports the derisking of investments and the mobilisation of private finance to enhance renewable energy supply in Africa, including likely impacts on sustainability of infrastructure and investments. The existing midline evaluation questions (EQs) provide an overarching structure for the mini case studies, with additional sub-EQs developed to guide the analysis (see Annex 2 and 3).

- ▶ **Activity 1: Desk review.** The ARCAN MEL Unit will draw on existing documentation (including SEFA annual reports, semi-annual reports and the SEFA 2.0 Mid-Term Review) to review existing evidence and develop data collection tools (e.g. semi-structured interview templates). The team will also request additional documentation from SEFA specific to the chosen projects (e.g. project appraisal reviews).

- ▶ **Activity 2: Primary data collection.** The team will conduct a small number of KIIs with SEFA staff, including the Investment Officer for AGGF and CRP, as well as with individual funds managers under AGGF and CRP.

Deliverables:

- ▶ The ARCAN MEL Unit will prepare a short report detailing the findings in line with the case study objectives. The report will be a maximum of 8-10 pages with annexes for additional details.
- ▶ A meeting will take place with SEFA to discuss the findings.
- ▶ The primary audience for the mini case studies will be FCDO and SEFA. The findings will feed into the Phase 2 midline evaluation, building upon insights from the Phase 1 midline. This will also contribute to enhanced learning and knowledge sharing within the ARCAN energy pillar.

3. Proposed next steps and timing

We set out below the necessary steps to proceed with this case study:⁷⁰

- ▶ SEFA to provide project documentation and set up meetings with SEFA staff and fund managers (w/c 10th November).
- ▶ Review project documentation and conduct interviews (w/c 10th November and 17th November).
- ▶ Conduct analysis and write up (w/c 17th November and w/c 24th November).

4. Teaming

- ▶ **Gil Yaron (ARCAN Evaluation Lead, 6 days):** Gil will oversee the mini case studies, ensuring alignment with the ARCAN evaluation approach, as well providing writing inputs and quality assurance of the report.
- ▶ **Private Finance Expert, 5 days:** the private finance expert will provide technical expertise, contributing to the review of technical documentation, KIIs with fund managers, analysis and report writing.
- ▶ **Cara Stoney (Energy Pillar Lead Analyst, 10 days):** Cara will lead the management of the mini case studies. She will be responsible for designing the KII guide, setting up interviews and will contribute to the analysis and reporting.

⁷⁰ Since approval was given in late October / early November, the ARCAN MEL Unit will have a compressed timeline to complete the mini case studies.

Annex 2: ARCAN Evaluation Framework

Evaluation Questions and OECD-DAC Criteria	Criteria and supporting questions	Evaluation Activity/ MEL Product/Data Source	Analysis
Relevance To what extent are ARCAN programmes' delivery country-led (i.e., responding to local community and national priorities) and strengthening national or community leadership, capacity, and commitment (in what ways, for whom – with specific focus on the most vulnerable including women/girls and other excluded groups - and in what contexts)? [EQ3]	ARCAN delivery is informed by and responds to local community and national needs, policies and priorities; including those specific to gender and social inclusion of the most vulnerable groups. Programme delivery/design is sensitive and responsive to context, including: ARCAN delivered in ways that is informed by and responds to (local and national) gendered needs and priorities, recognising differential starting points - ARCAN implementation builds and strengthens national/ community leadership, capacity and commitment - ARCAN adapts to changing needs and contexts - ARCAN implemented in ways that reflect needs of different social groups (most vulnerable including women/girls and other excluded groups), recognising different starting points on the basis of, inter alia, age, disability, indigeneity	Evaluation Midline/ Endline: Phase 1 - Document analysis building on programme documents, annual reports etc, external evaluations; context-specific literature - Select KIIs with FCDO (remote) Phase 2 - Continued document analysis - Select KIIs and FGDs (remote and in-country) - Interviews with FCDO/ IPs (process evaluation style questions) - Interviews with key external stakeholders [NB relevance refers to beneficiary and stakeholder needs, relevance to context, relevance to UK govt priorities]	Thematic Analysis Context Analysis Contribution Analysis
Efficiency 1. Are the ARCAN portfolio and programmes using resources efficiently and effectively to achieve their goals? [New overarching] <i>Key questions to help answer this EQ:</i> What are the opportunities to enhance efficiency and cost effectiveness across the ARCAN portfolio? (midline) [EQ8] What key lessons (positive and negative) have been learned from ARCAN's experience with regards to VfM that can inform the design and implementation of future portfolio programmes? (endline) [EQ10]	- How do the returns on investment compare to the ones proposed in the Business Case (ARCAN)? For programmes: design/ economic appraisal? - To what extent, and how, have resources been efficiently allocated between work streams? - How do the different cost effectiveness data from different pillars/ programmes compare? - What are the processes of compiling VfM data in the pillars/ programmes? - Are there adaptive management examples that drive VfM in programmes? - For those IPs with existing VfM framework/ reporting: how does VfM fit in the wider delivery frameworks (s)? - What kind of mechanisms exist in programmes to control costs and/ or maximise benefits? To what extent is there commitment to consideration of equity goals alongside effectiveness and equity, and what trade-offs are made? - Resource allocation processes/ mechanisms, including the extent to which equity is represented	Evaluation Midline/Endline: - Financial reporting from IPs - KIIs: Interviews with IPs, FCDO (remote and in-country) Evaluation: Portfolio VFM Deep Dive (Y2) Monitoring: Programme specific VFM case study; Building on Results Framework/ ARCAN VfM framework/ AR	Cost effectiveness data analysis (VfM indicators, results, other CE study findings from pillars, etc) Analysis of VfM case study findings Cost efficiency analysis Qualitative assessment on lessons learned

	Cost effectiveness indicators from ARCAN VFM Framework		
Effectiveness 2. How and to what extent does ARCAN contribute to strengthening people's resilience, improving management of natural resources, and increasing access to renewable energy, for the most vulnerable to climate change? For whom – with specific focus on the most vulnerable including women/girls and other excluded groups -and in what contexts? [EQ2] <i>Key questions to help answer this EQ, plus potential deep dive focus (ii-iv)– selecting three deep dives.</i> i. How effective was the ARCAN portfolio at mobilising additional and or more effective climate- and nature-related investment, for whom, and in what contexts? (All IPs except FFF) ii. How, and to what extent, has the ARCAN portfolio contributed to the improved management of natural resources (particularly sustainable land management), for whom, and in what contexts? (CAFI, FFF) iii. How, and to what extent, has the ARCAN portfolio contributed to strengthened resilience of populations to climate shocks, for whom and in what contexts? (WISER, CIWA, FFF, AAAP) iv. How, and to what extent, has the ARCAN portfolio facilitated greater access to clean energy, for whom, and in what contexts? (SRMI, SEFA)	Delivery of programmes under thematic pillars – relevant outcomes and programme ICF KPI results: - Number of people supported to better adapt to the effects of climate change (ICF KPI 1) - Number of people with improved access to clean energy (ICF KPI 2) - Number of people (disaggregated by key GESI groups) whose resilience has been improved (ICF KPI 4) - Volume of emissions reductions avoided/supported by ICF TA (ICF TA KPI 5) - Finance mobilised (£) for climate change purposes (ICF KPI 11 & 12) - Area under sustainable land management practices (ICF KPI 17) Evidence for pathways to outcomes in the theory of change: - Design and implementation of national and subnational plans, policies and strategies supported; - Increase in no. of countries with regional, national, subnational (local) plans, policies, strategies, sectoral plans (energy, integration of climate, NRM etc) - Innovation approaches embraced [e.g. ARCAN contribution to greater availability of innovative approaches and technologies to deliver positive impacts on poverty and the environment in sectors such as energy, natural resource management, agriculture, and environmental degradation] - Capacity to access new and existing climate finance strengthened - New investment mobilised for Climate (amount and extent, influence of ARCAN on new and existing funding) - Improved natural resource management and protection including transboundary water - Increased sustainable land management - Improved availability and (capacity to) access and use of climate information - Use of climate data to inform investment decisions, programme focus etc - Improved resilience capacities (including climate adaptation)	Evaluation Midline/Endline (sub-Q 3i): Phase 1 - Document analysis building on programme documents, annual reports etc, external evaluations; context-specific literature - Select KIIs with FCDO (remote) Phase 2 - Continued document analysis - Select KIIs and FGDs (remote and in-country case studies) - Interviews with FCDO/ IPs (process evaluation style questions) - Interviews with key external stakeholders Evaluation Deep Dives in order to confidently demonstrate what FCDO/ARCAN has achieved in relation to OUTCOME 1 in the theory of change. Are the pathways to desired changing working or not? How, for whom and in what context? (sub-Q 3ii-iv) Focus on socio-economic outcomes and impact: Who is expected to benefit? Has this been achieved? If so, how? If not, why not? What has been the contribution of ARCAN? Contribute to the global evidence base on what works and what doesn't work in building adaptation and resilience to CC. Suggested Deep Dives: 1) Energy; 2) Resilience; 3) Sustainable land management. Document analysis: programme documents, annual reports etc, external evaluations; context-specific literature In-country and remote data collection, primary and secondary data: KIIs and FGDs (in-country and remote) - Interviews with FCDO/ IPs - Interviews with key external stakeholders (at all institutional levels) Review and synthesis of upcoming IP independent evaluations: (2023: CAFI, WISER, 2024: SEFA – assume available for midline. 2024:	Case Study approaches to focus on evidence gaps in the ToC through deep dives (thematic and contribution analysis) Analysis of Monitoring data Analysis of independent evaluations of ARCAN programmes Meta-analysis and Synthesis (endline)

	Improved availability and access to clean energy <i>For all areas: Effectiveness-related outcomes reflect gender equality and social inclusion</i> <i>Unintended results and alternative pathways</i> <i>Enablers and barriers ('mechanisms' of change), including: Political economy factors (incentives, interests, beliefs, power of partners and external actors); contextual factors (economic, social, political will and commitment; funding; conflict risk etc)</i> <i>'For whom?': ARCAN portfolio contributes to gender equality and social inclusion</i>	CIWA – assume available for endline. Annual: AAP) Endline Synthesis across deep dives and other primary and secondary data sources/evidence Building on Monitoring data. The monitoring overarching question is 'to what extent are IPs delivering against programme outputs and outcomes'. This contributes towards answering a foundational evaluative question: are the conditions in place for activities to lead to desired/intended outcomes for those expected to benefit? - IP Monitoring Data/ Results Framework outcome data - Monitoring visits reports: progress report of project level implementation against IP ToC and project specific stories of change on IP progress (co-developed with IPs) - Programme-specific GESI and VfM case studies (in collaboration with IP)	
Impact 3. How, and to what extent have the ARCAN portfolio and programmes catalysed transformational change (for whom – with specific focus on the most vulnerable including women/girls and other excluded groups - and in what contexts)? (endline) <i>Key questions to help answer this EQ:</i> i. How and to what extent are ARCAN projects achieving (or where results not yet evident due to timeframes) likely to achieve transformational change? [KPI15] ii. Sustainability: How effectively do ARCAN programmes support sustainability of outcomes and impacts?	4.i KPI15 Scorecard: likelihood of transformational change. Drivers, Mechanisms, Barriers/Enablers: - Political will and local ownership: need for the change is agreed locally and the process is locally owned and inclusive. - Capacity and capability can be equitably increased: countries and communities have the capacities and capabilities necessary to bring about the change; - Innovation: innovative technologies are equitably piloted, with the potential to demonstrate new ways of doing things, which could lead to wider and sustained change. - Evidence of effectiveness is shared: approaches which have proved successful in one location are made widely available and lessons on their usefulness are credible and shared widely - Gender Equality and Social Inclusion: ARCAN programmes actively contribute to GESI by identifying and tackling barriers to gender inequality and social exclusion in formal institutions (e.g. policy) and informal institutions (practices), and working to transform power relations positively and support collective action by marginalised people where appropriate. Leverage / create incentives for others to act: the costs of climate action are reduced to the point that acting on climate is a sensible decision for commercial firms, private individuals, and governments. These cost reductions may need to be	Evaluation Midline/Endline: Phase 1 - Document analysis building on programme documents, annual reports etc, external evaluations; context-specific literature - Select KIIs with FCDO (remote) Phase 2 - Continued document analysis - Select KIIs and FGDs (remote and in-country) - Interviews with FCDO/ IPs (process evaluation style questions) - Interviews with key external stakeholders Building on and validating Monitoring Data: M team working with IPs to track progress against key indicators including KPI15, and develop project-specific stories of change on IP progress (co-developed with IPs)	KPI15 scorecard analysis Thematic analysis of evaluation data Contribution Analysis Synthesis/ meta-analysis

	steep enough to overcome behavioural inertia; Replicable: good ideas piloted by the ICF are replicated by others in the same country and more widely; • At scale: interventions (such as national, sectoral or regional programmes) that have sufficient reach to achieve institutional and policy reform, or drive down costs of technology deployment; ARCAN is tackling different levels of scale in concert. Equitable; recognising the reality of gender inequality and social exclusion, and ensuring that use of the approach is equitable and contributes to gender equality and social inclusion • Sustainable: change is likely to be sustained once ICF support ends. 4.ii ARCAN programmes' contribution to fostering (inclusive and equitable) enabling environment including: i) Capacities ii) Ownership iii) Political Will iv) Resources/ budgetary commitments of relevant stakeholders		
Coherence 4. How and to what extent are ARCAN programmes contributing to complementarities, synergies, knowledge sharing and learning between within and beyond ARCAN, including through benefits from being more than the sum of their parts in the ARCAN portfolio? For whom – with specific focus on the most vulnerable including women/girls and other excluded groups – and in what contexts? [EQ6]	• Increased regional, national and local collaboration and partnerships due to ARCAN • Key stakeholders draw from evidence and learning generated by the programme to support improvements in programming; examples of adaptive management based on programme-level learning. Learning shared formally and informally within and across IPs and outside of ARCAN. Drawing on learning from other programmes/the knowledge and experience of stakeholders at all levels • Complementarities: ARCAN Activities, projects, or policy efforts build on the strengths and account for the limitations of each other. • Synergy: The interaction of two or more ARCAN programmes such that the overall result is greater than the sum of its parts. Examples that programmes deliver more outcomes and impacts than working in isolation including : e.g. reaching more people; mobilising more finance than targeted, or delivery greater analysis than planned (e.g. WISER adding value to CIWA)	Evaluation Midline/Endline: Phase 1 1. Document analysis building on programme documents, annual reports etc, external evaluations; context-specific literature 2. Select KIIs with FCDO (remote) Phase 2 3. Continued document analysis 4. Select KIIs and FGDs (remote and in-country) i) Interviews with FCDO/ IPs (process evaluation style questions) ii) Interviews with key external stakeholders	Thematic Analysis Contribution Analysis

Annex 3: Evaluation Matrix for the Mini Case Studies

Evaluation Question	Sub-Questions	OECD DAC Criteria	Relevant Interviewee(s)
1. How do projects such as AGGF and CRP illustrate the impact pathways outlined in the SEFA ToC? <i>How effective have SEFA projects been in facilitating greater access to clean energy, for whom, and in what contexts?</i>	1.1 To what extent have SEFA-supported projects contributed to de-risking investments and improving renewable energy supply in Africa (e.g., through AGGF and CRP)? What is likely to have happened to these investments without SEFA support? 1.2 To what extent have SEFA-supported projects mobilised or secured private finance to expand renewable energy supply in Africa (e.g., through AGGF and CRP)? How instrumental was SEFA support to securing this financing and what is likely to have happened without it? 1.3 What are the reasons behind any successes / barriers – including contextual factors? 1.4 What are the main risks to these investments, and how appropriately are they being mitigated?	Effectiveness, Impact	SEFA staff, fund managers
2. To what extent is SEFA likely to achieve transformational change? ⁷¹	2.1 To what extent could or are these SEFA supported projects or SEFA financing models be scaled through this or other investments? 2.2 How have issues of sustainability of energy supply been considered within the projects? What are the positives and risks related to long term sustainability? To what extent has SEFA contributed to improving the likelihood of sustainability through their engagement in these projects?	Effectiveness, Impact	SEFA staff, fund managers

⁷¹ The evaluation question on transformational change has been included for reference; however, this is not the primary focus of the mini case studies, which are intended to illustrate the impact pathways of the ToC. While the mini case studies are unlikely to fully answer this question, the evidence generated is expected to provide insights on whether, through the two projects, SEFA is contributing (or not contributing) to transformational change.

Annex 4: Bibliography

AGGF (2025) Interview with AGGF fund manager, November 2025.

ARCAN MEL Unit (2025) Phase 1 Midline Report.

Bloomfield, Z. (2025) Email: Proposed ARCAN SEFA impact case study, 4th November 2025.

Chen, J. (2025) Maximise investments: essential risk-adjusted return methods explained, Investopedia: [Maximize Investments: Essential Risk-Adjusted Return Methods Explained](#)

CRP (2025) Interview with CRP fund manager, November 2025.

Econoler (2025) SEFA Mid-Term Review, Final Report.

Global Infrastructure Hub & Cambridge Economic Policy Associates (CEPA). (2019). *Guidance Note on National Infrastructure Banks and Similar Financing Facilities* (Annex A: Glossary): [gih-national infrastructure banks - full report-web.pdf](#)

Hayes, A. (2025) Understanding senior debt: risks and payment priorities, Investopedia: [Understanding Senior Debt: Risks and Payment Priorities](#)

Hayes, A. (2025) What is pari-passu?, Investopedia: [What Is Pari-Passu?](#)

Kagan, J. (2022) Junior Debt: What is it, how it works in real estate investing, Investopedia: [Junior Debt: What it is, How it Works in Real Estate Investing](#)

Kofoworola, O. (2024) How blended finance unlocks private capital for development, Medium: [How Blended Finance Unlocks Private Capital for Development | by Omowale Kofoworola | Medium](#)

OECD (2025), *OECD DAC Blended Finance Guidance 2025*, Best Practices in Development Co-operation, OECD Publishing, Paris, <https://doi.org/10.1787/e4a13d2c-en>.

SEFA (2025) AGGF SEFA Note. SEFA shared a note on AGGF containing information from the project appraisal and progress reports on 20th November 2025.

SEFA (2025) CRP SEFA Note. SEFA shared a note on CRP containing information from the project appraisal and progress reports on 20th November 2025.

SEFA (2025) Interview with SEFA, November 2025.

Smith, T. (2025) Understanding ordinary shares: definition, benefits, and voting rights, Investopedia: [Understanding Ordinary Shares: Definition, Benefits, and Voting Rights](#)

Annex 5: List of stakeholders

Organisation
SEFA
Triple Jump
Cygnus Capital

Annex 6: [template](#)

Evidence review matrix

[illegible]

Annex 7: Use and Influence Plan

The first draft of this report was shared with the SEFA team for verification and review in January 2026. Following their feedback, the authors made minor revisions to address any factual inaccuracies. The final version of the case study was subsequently shared with FCDO, SEFA, and the fund managers. The mini case studies will be disseminated more widely as agreed by SEFA and FCDO.

Annex 8: Safeguarding and Ethics

The approach has drawn upon key FCDO guidance in the document ‘DFID ethical guidance for research, evaluation and monitoring activities’⁷² (published in May 2019) and further guidance including: the FCDO Principles for Digital Development, the Social Research Association Research Ethics Guidance, OECD Quality Standards for Development Evaluation, United Nations Evaluation Group Ethical Guidelines, and the Integrating Human Rights and Gender Equality in Evaluation Guidelines. It has also adhered to the FCDO’s Leave No One Behind commitments, the International Development (Gender Equality) Act 2014, the UK Disability Inclusion Strategy, and the UK’s broader international commitments such as the Washington Principles. Furthermore, Ecorys is a member of the FCDO-supported Safeguarding Leads Network and is a signatory to the pledge to the private sector to collectively improve practice on safeguarding. All team members have been briefed on the relevant ethical and inclusion procedures for ARCAN.

Our primary data collection has included KIIs with project stakeholders – those directly engaged by ARCAN including programme MEL and research managers, FCDO pillar leads, implementing partners and downstream partners, and external stakeholders. For selected IP country case studies, where relevant we have conducted interviews or focus groups with intended beneficiaries of ARCAN programmes. We have reviewed fieldwork plans for ethical considerations and mitigated any risks, as well as ensuring compliance with the GDPR.

In person or virtual, our KIIs have all adhered to the following requirements:

- ▶ **Verbal consent will be required for interviews:** Informed consent has been sought from all informants. Information has included explaining to potential respondents the purpose and nature of the evaluation. An information note script has been read aloud before each KII/focus group discussion, covering the nature and purpose of the evaluation and explaining the approach to anonymity, confidentiality, and data protection. Respondents have not been obliged to participate, and this has been communicated to IPs and other organisations supporting the recruitment of respondents. We have ensured informed consent is obtained from all individuals before commencing interviews.
- ▶ **Anonymity:** The key ethical issue for the evaluation is protecting and managing the confidentiality of stakeholders. All engagement with stakeholders, including providing information related to the evaluation, has been done in a way that respects individuals and their confidentiality. No individuals have been identified by name in the report or in a way that would allow them to be identified from contextual information.
- ▶ **Data protection:** Data will be stored in accordance with Ecorys’ Data Protection Policies. As a registered data controller with the Information Commissioner’s Officer (Z5564761), Ecorys has a designated Data Protection Officer who is responsible for protecting data in line with General Data Protection Regulation (GDPR). Ecorys applies rigorous GDPR-compliant processes to ensure that all staff and participants are aware of how and why personal data are collected, used, and stored, and how long they will be retained for, and to ensure that data are collected only for valid purposes and kept only for as long as necessary.

Safeguarding

Safeguarding procedures for the ARCAN MEL contract are based on FCDO guidance, particularly the advice given in Enhanced Due Diligence: Safeguarding for external partners, and Ecorys’ and Altai’s Codes of Conduct. If it is decided that the evaluation will invite participation from potentially vulnerable individuals, the ARCAN MEL

⁷² Thorley, L., & Henrion, E. (2019). DFID ethical guidance for research, evaluation and monitoring activities. Prepared for the UK Department for International Development.

safeguarding procedures are intended to provide an appropriate and sufficient framework that ensures the wellbeing of those involved in the evaluation, including participants and potential participants, as well as members of the evaluation team. ARCAN MEL Fieldwork Plans have been submitted along with our evaluation protocol to an internal ethics review panel, where required.

Key principles of our safeguarding approach include:

- ▶ **Protection and privacy of participants:** Methodological checks ensure participants cannot be identified with their responses or in any of the reports. This extends to all participants and to all topics, not just sensitive issues. Data collection takes place in private, and all data will be securely and appropriately stored – any physical data will remain with the researcher until it can be placed in secure storage; electronic data will be password protected. Sensitive personal data, for example gender, age, ethnicity, disability, religion will not be collected.
- ▶ **Informed consent:** Oral informed consent, obtained at the outset of KIIs, will empower participants to make informed decisions about engaging in the study by providing:
 - ▷ clear explanations of the aims and objectives of the study
 - ▷ potential risks associated with participation
 - ▷ clarity around voluntary participation and the right to withdraw from the evaluation
 - ▷ processes around any safeguarding issues including the role and contact details of the Designated Safeguarding Officers (DSOs)
- ▶ **Partnership:** It is our intention that the evaluation serves to further establish good relationships with stakeholders. They have been and will be consulted and informed about all evaluation activities. This is intended to promote acceptance of the evaluation across the IPs and DPs, and identify any emerging ethical or safeguarding issues.
- ▶ **Prompt investigation of issues:** DSOs at Ecorys and Altai will act in the event of any safeguarding issues being raised. The specific process to be taken in the event of safeguarding issues being raised are outlined in the Project Implementation Manual. We acknowledge that participants who wish to raise safeguarding issues may in principle be reluctant to notify the ARCAN MEL team, and so we will provide contact information for Ecorys DSOs who are not part of the core team and can rather act at ‘arm’s length’ from the project.
- ▶ **Training:** All researchers/data collection staff attend training that addresses safeguarding and whistleblowing procedures. This covers handling disclosures, reporting allegations, confidentiality, and codes of practice and behaviour.

Ethical Approval

The ARCAN MEL Unit observes all guidelines and rules relating to the conduct of research and evaluation in the countries selected for in-country data collection. We seek ethical approval (or exemption as appropriate) for all primary data collection by writing formally to the relevant authorities in the relevant jurisdictions, where required. A study protocol describing the design and data collection, analysis, participant confidentiality and consent, and the study tools is submitted for review and approval as required. If ethical approval is required, formal responses from the relevant authorities approving data collection activities are a prerequisite for the evaluation data collection to proceed.

ARCAN MEL also abides with Ecorys internal policy guiding the conduct of research and evaluation.

Any proposals to carry out research with potentially vulnerable individuals require internal ethical approval. The evaluation protocol is in that case submitted to an internal ethics review panel for review and approval. The members of the ethics panel have independence from each project that they scrutinise. This enables them to put the participants at the centre of their review. The ethics panel reviews the protocol and provides feedback on the approach. The total process for internal and external ethical review exemption is expected to take around 2 – 4 weeks.