



## **Dutch Good Growth Fund**

### **Part of DGGF**

Export credit insurance of an export transaction from a Dutch exporter.

### **Title**

DGGF107009120200430 Delivery off-grid solar systems in Kenya

### **Exporter**

Rural Spark B.V., Tilburg

### **Country of investment**

Kenya

### **Sector**

Solar Home Systems

### **Contract amount**

Maximum indemnification: EUR 258.905,-

### **Period**

Manufacturing period: 3 months

Credit period: 36 months

### **Parties involved**

Debtor: Mwezi Limited, Nairobi/Kenia

### **Impact on development**

#### **Job creation**

The transaction will contribute to growth in direct and indirect employment. It is expected that over time approximately 12 additional FTEs will be employed by the customer, 8 of which are women. Mwezi recruits based on attitude rather than formal qualifications. As a result, recruitment often works out favorably for women in rural areas who have not received formal education. In addition to the creation of direct employment, there is an increase in indirect employment. The increase is estimated at 200 FTE, of which 150 for women. Indirect employment mainly concerns sales agents who are not hired but are remunerated on a commission basis.

#### **Increasing the strength of production**

The goods to be delivered will contribute directly to the debtor's turnover, who is after all active in distribution. The transaction to be insured will result in approximately 40% more turnover.



### **Sharing of knowledge, skills and techniques**

Exporter will transfer knowledge to distributor in Kenya. It concerns training for the employees and agents who will sell the energy kits.

### **Other positive effects**

This dark green transaction will make a positive contribution to the environment because the energy kits will partly replace very polluting diesel generators. For other households, the investment in the energy kits will mean access to electricity for the first time, which will improve the quality of life.

### **Risk category**

Rural Spark has filed an application with the DGGF regarding the supply of energy kits to Mwezi Ltd. This transaction does not involve activities listed on the FMO exclusion list. The transaction remains below the DGGF threshold of € 1 million and does not concern activities that affect a sensitive area or sector.

Based on the foregoing, the environmental and social risk posed by the present transaction is assessed as acceptable.

### **Description**

The transaction concerns the delivery of 1880 "Energy Kits" and the provision of training courses. The "energy kits" consist of a central router with a variable number of small boxes that can supply but also store energy. The energy is generated by one or more solar panels. The energy can be used to run lights, telephones, fans, TVs and even computers. Once a system has been purchased, it is easy to expand modularly, even in small steps. Users of the systems are households and small businesses. Users are given the option to pay in installments. There is a built-in PayGo mechanism for this.

