

CLIMATE

Finance Blending Facility



2025 ANNUAL IMPACT REPORT

Unlocking Long-Term Local Currency Climate
Finance for Off-Grid Energy Access in Nigeria

Anchor
Funders:



Co-Financing
Partner:



FOREWORD FROM THE CEO

Dear Partners and Stakeholders,

When we launched the Climate Finance Blending Facility (CFBF) in 2022, we were guided by a conviction that the greatest barrier to energy access in Nigeria was not limited to an absence of viable projects, but also the absence of patient, affordable, local currency capital to bring them to financial close.

Three years on, this 2025 Annual Impact Report is our most compelling proof yet that the conviction was right.

In 2025, we reached a milestone of six transactions closed under the CFBF, with a total portfolio value of NGN 7.86 billion. Two of those transactions, Cee Solar Energy and First Electric Power, closed in the fourth quarter of 2025 alone, demonstrating the accelerating pace at which our blended finance model is proving its replicability. Across our four operational transactions, communities in Rivers, Abia, Edo, Ondo, Akwa-Ibom, and Benue States are experiencing what reliable electricity means in practice: businesses staying open after dark, boreholes running without generators, children studying without kerosene fumes, and farmers processing more of what they grow.



This report goes beyond the numbers. It captures the mechanics of how the CFBF Facility works, the institutional partnerships that make it possible, and the lessons we have taken on board from our Productive Use of Energy assessments and internal evaluations. We are not simply reporting results; we are actively integrating what we have learned into the design of future transactions. The institutionalisation of Productive Use Assessments as a pipeline requirement and our strategic partnership with Shell Foundation for equipment financing are direct products of evidence we gathered from the ground.

We are deeply grateful to our anchor funders, the UK's Foreign, Commonwealth and Development Office and British International Investment, whose concessional capital makes it possible to offer first-loss protection that would otherwise never reach the local debt capital markets and technical assistance providers, FSD Africa, KFW and the Shell Foundation, who have provided support required for the transactions to reach financial close. We are equally grateful to the domestic institutional investors including Leadway Assurance, AllCO Insurance, and multiple pension funds, who have trusted us with their capital and helped prove that

Nigerian institutional investors can and will finance clean energy infrastructure when the risk profile is appropriately structured.

The challenge of universal energy access in Nigeria is large. Approximately 85 million Nigerians still lack electricity, and the national grid alone cannot close that gap in the timeframe the climate requires. The CFBF was designed to be a catalyst, not a programme. Every transaction we close and every investor we bring into this market expands the frontier of what commercial finance can reach. We look forward to reporting further progress in the years ahead.



Chinua Azubike,
Chief Executive Officer,
InfraCredit

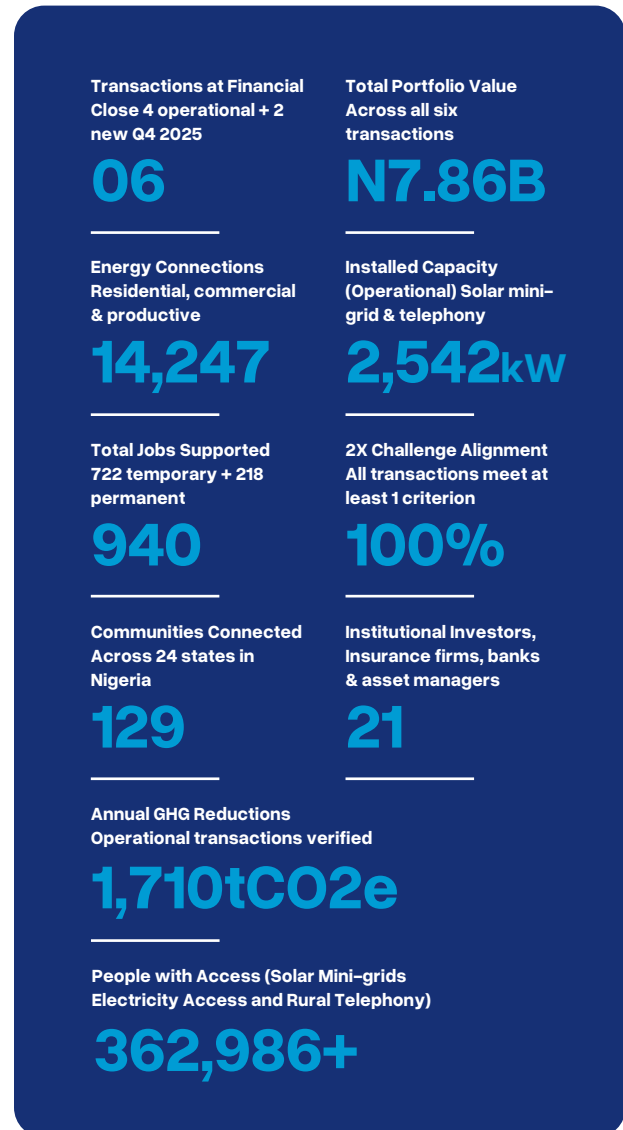
Executive Summary

The Climate Finance Blending Facility (CFBF) is a concessional blended finance vehicle, designed to unlock affordable long-term local currency debt capital for off-grid clean energy infrastructure in Nigeria. Capitalised with USD 21.3 million in anchor concessional funding from the UK Foreign, Commonwealth and Development Office (FCDO) and the British International Investment (BII), the Facility provides subordinated first-loss capital alongside InfraCredit's credit guarantees to catalyse domestic institutional investment at scale.

This 2025 Impact Report covers the full operational period from the Facility's inception in May 2022 through to December 2025, with particular focus on results delivered during the year under review. It presents the development impact of six transactions, the Facility's theory of change and financing structure, its public-private partnerships, and the lessons actively shaping its future direction.

The Facility has catalysed NGN 7.86 billion in private capital from domestic institutional investors, exceeding its design expectations for leverage at this stage. The six CBI-certified green bonds issued under the CFBF have progressively attracted more investors with each issuance, demonstrating a clear market transformation trajectory.

Two transactions reached financial close in Q4 2025 and are presented in a dedicated section of this



report. Cee Solar Energy Limited (NGN 3.4 billion) and First Electric Power and Automation Services Limited (NGN 3.4 billion) are both in early construction. Their expected impact once operational includes over 8,750 new energy connections across Cross Rivers, Gombe, Nasarawa, and Ondo States, 1,177 jobs, and 1,499 tCO₂e in annual GHG emissions reductions.

ABOUT THE CLIMATE FINANCE BLENDING FACILITY



The Climate Finance Blending Facility (CFBF) was established in May 2022 to address a specific and persistent market failure in Nigeria’s clean energy sector: the inability of renewable energy developers, particularly mini-grid operators, to access long-term, affordable, local currency debt financing from domestic capital markets.

Nigeria has approximately 85 million people without access to electricity, the largest energy access deficit in Africa. While off-grid clean energy solutions, particularly solar mini-grids, are widely recognised as the most cost-effective pathway to reaching underserved and unserved communities, developers have historically been forced to rely on short-tenor, foreign currency denominated loans that introduce significant currency risk and constrain the economics of long-duration infrastructure projects.

The CFBF responds to this challenge by providing concessional first-loss subordinated debt capital that sits below senior debt in the capital structure. This credit enhancement reduces the effective risk exposure of domestic institutional investors, enabling local pension funds and insurance companies to participate in clean energy debt issuances that would otherwise not meet their risk-adjusted return requirements. Combined with InfraCredit’s AAA-rated local currency guarantees, the Facility creates a blended capital structure capable of mobilising commercial finance at scale.

Mandate and Objectives

- Catalyse private sector investment in off-grid clean energy infrastructure in Nigeria, particularly in underserved communities
- Reduce the cost of capital for eligible renewable energy developers through blended first-loss capital and local currency guarantees
- Grow a pipeline of CBI-certified green bonds that deepen Nigeria’s domestic green capital market
- Advance productive use of energy (PUE) and gender equality in supported communities
- Generate measurable development impact across energy access, employment, GHG emissions reductions, and private capital mobilisation
- Demonstrate a replicable blended finance model that can attract additional co-funders and scale beyond initial capitalisation

The CFBF is a catalytic vehicle, not a grant programme. Every dollar of concessional capital it deploys is structured to return to the Facility and be recycled into future transactions, creating a self-reinforcing engine for clean energy investment in Nigeria.

Facility Overview

Parameter	Detail
Commencement Date	May 2022
Anchor Funders	UK Foreign, Commonwealth and Development Office (FCDO) and British International Investment (BII)
Total Capitalisation	GBP 17.35 million: GBP 10 M (FCDO, Feb 2022) + USD 10M (BII, Nov 2024)
Co-Financing Partner	InfraCredit (Infrastructure Credit Guarantee Company Limited)
Financing Instrument	Subordinated first-loss returnable debt capital
Leverage Target	50% of total project funding from private capital
Financing Structure	50:50 subordinated mix between Facility and domestic institutional investors
Credit Approved Pipeline	USD 31.26 million (NGN 14.1 billion)
Total Project Pipeline	USD 126 million
First Transaction Close	September 2022 (Darway Coast, NGN 1.6 billion)
Prado Power Sukuk (October 2024)	Nigeria's first blended local currency Green Infrastructure Forward Ijarah Lease Sukuk
Transactions at Financial Close (Q4 2025)	6
CBI-Certified Green Bonds Issued	4



Facility Theory of Change

The CFBF Theory of Change rests on the premise that barriers to clean energy investment in Nigeria are primarily financial rather than technical.

Renewable energy developers have viable projects, established technologies, and willing communities, but cannot access the long-term, affordable, local currency capital required to finance infrastructure with 10–20 year operational lifespans. By addressing this capital constraint through a blended first-loss instrument, the Facility creates a demonstration effect that progressively de-risks the asset class for commercial investors.

The Four Pillars of Transformation

Clean Energy Access



The Facility provides concessional subordinated debt capital that reduces the effective risk premium for senior lenders, enabling off-grid clean energy developers to access local currency debt on commercially viable terms. This directly unlocks financing for solar mini-grids, solar home systems, clean cooking solutions, and renewable energy-powered telecommunications infrastructure serving communities beyond the reach of the national grid.

Development Assistance and Blended Finance Catalysis



Concessional capital from FCDO and BII functions as a catalyst rather than a subsidy. By absorbing first-loss exposure in the capital structure, it creates the conditions under which domestic institutional investors can participate. The Facility's impact framework is aligned to IRIS+, the DCED Standard, and the IFC Operating Principles for Impact Management, ensuring every transaction generates measurable development outcomes beyond financial returns.

Domestic Institutional Investor Mobilisation



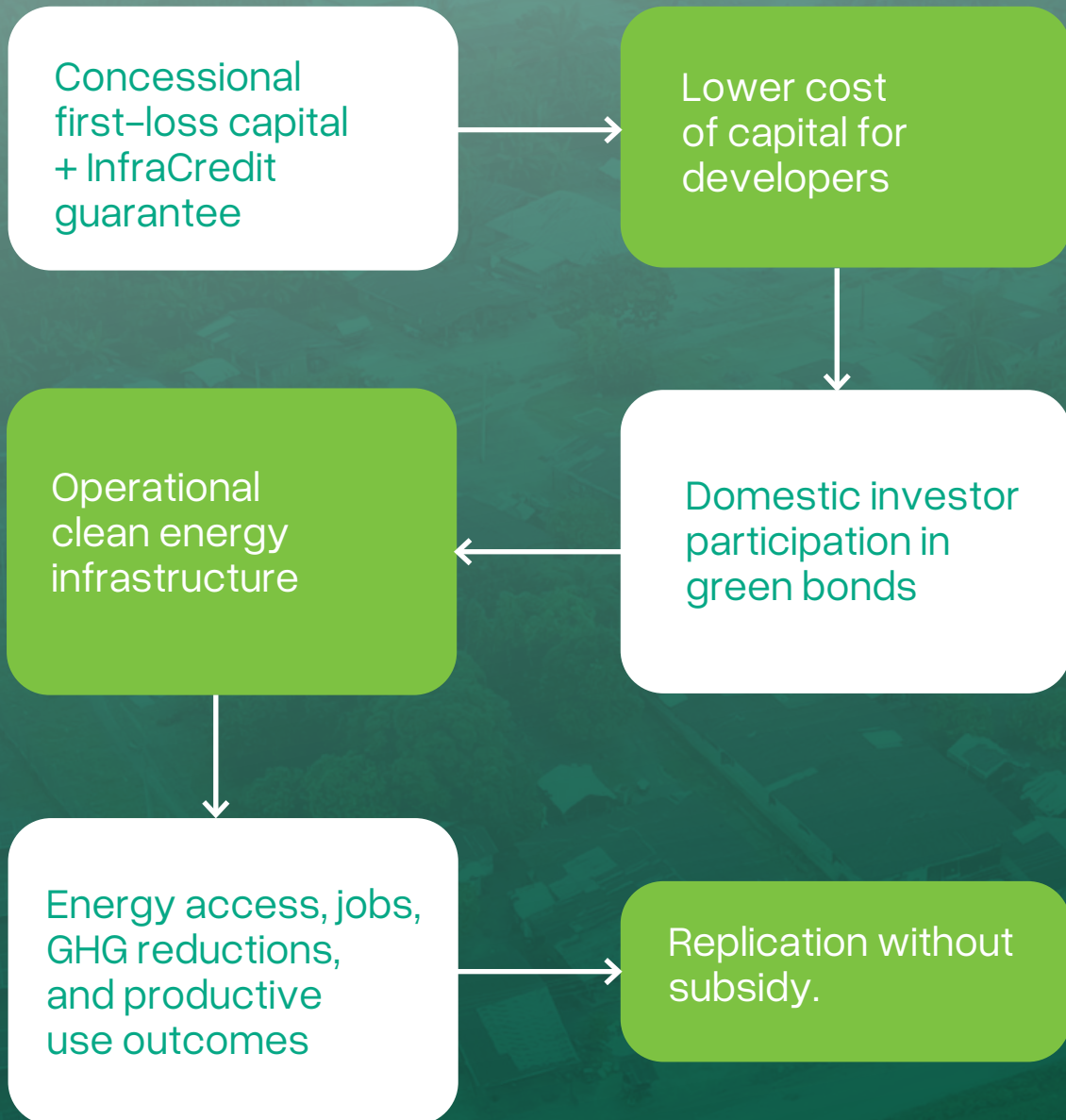
Nigeria's pension and insurance sectors manage assets exceeding NGN 20 trillion, yet historically none of this capital has flowed into off-grid clean energy projects. The CFBF's credit enhancement architecture, anchored by InfraCredit's guarantee and supported by first-loss capital, creates an investment-grade profile that institutional investors can integrate into their portfolios. As each transaction establishes a track record, investor confidence increases, reducing the subsidy required for subsequent deals and deepening Nigeria's domestic green capital market.

Green Economy and Market Transformation



The Facility's long-term ambition extends beyond individual transactions. Each CBI-certified green bond issued under the CFBF contributes to the development of a local green bond market, establishing pricing benchmarks, legal precedents, and investor familiarity that will outlast the Facility's own capitalisation. The market transformation objective is to create conditions under which clean energy developers can issue local currency green debt without concessional support within a defined timeframe.

Theory of Change Logic:



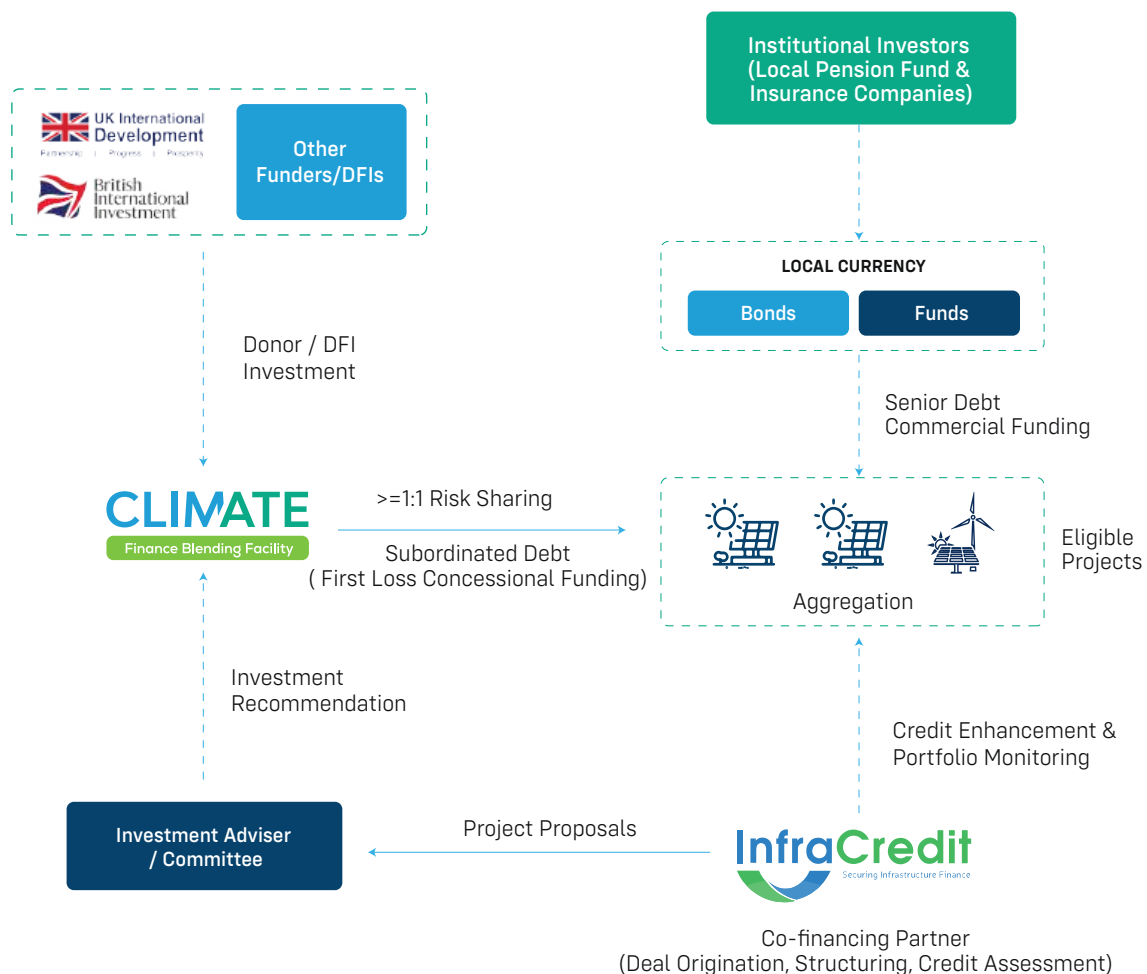
Facility Financing Structure

The CFBF operates through a layered capital structure specifically designed to mobilise domestic institutional investment by absorbing the credit risk that would otherwise exclude commercial investors from participating in early-stage clean energy debt issuances.

Capital Stack

Each project in the CFBF portfolio issues a local currency green bond structured in two tranches:

- **Senior Debt (Commercial Funding):** Subscribed by domestic institutional investors through the local debt capital market. These bonds carry InfraCredit's AAA-rated guarantee, providing irrevocable and unconditional cover for naira obligations up to 100% of the bond value.
- **Subordinated First-Loss Debt (Concessional Funding):** Provided by the CFBF on a 50:50 co-investment basis with domestic institutional investors. This tranche absorbs losses first in the event of project default, significantly reducing the risk exposure of senior debt holders.



Key Guarantee Features

Feature	Description
Instrument	Irrevocable and Unconditional Guarantee
Currency	Naira Obligations
Coverage	Up to 100%
Seniority	Senior Ranking Obligations
Acceleration	Non-Acceleration
Maturity	Up to 20 years
Rights	Pari Passu Rights and Voting Rights
Legal Documentation	Deed of Guarantee, Recourse Agreement, Security Deed

Transaction Process

Phase	Key Activities
Phase 1: Origination	Preliminary Assessment Checklist, New Business Committee Ap-proval, KYC/Mandate Letter
Phase 2: Due Diligence & Structuring	Commence Due Diligence, Credit Assessment and Structuring, Board Credit Committee Approval
Phase 3: Closing	Negotiate Guarantee Documentation, Satisfy Conditions Prece-dent, Financial Close

Leverage and Mobilisation

The Facility’s target leverage ratio is at least 1:1, meaning every unit of concessional subordinated capital deployed mobilises at least one unit of commercial senior capital. In practice, as the market has matured, the number of institutional investors co-subscribing to each new issuance has grown from six in the first transaction (Darway Coast, 2022) to twelve by the fourth (Prado Power, 2024), indicating that investor confidence is deepening without requiring proportionally greater concessional subsidy.



What Makes the CFBF Innovative

The Climate Finance Blending Facility occupies a distinctive position in Nigeria's development finance landscape. Its innovation is structural, combining features that individually exist elsewhere but have never been assembled in this specific way for Nigeria's off-grid clean energy market.



1. First-of-Kind Blended Finance Architecture for Nigeria's Clean Energy Sector

Prior to the CFBF, no mechanism existed in Nigeria to channel domestic institutional capital into off-grid clean energy debt on a structured, replicable basis. Darway Coast's September 2022 issuance was the first-ever green-certified blended local currency debt issue for a solar mini-grid project in Nigeria, establishing the template that all subsequent transactions have followed.

2. Local Currency Solution to Currency Risk

Clean energy developers in Nigeria have historically borrowed in US dollars, exposing themselves to exchange rate volatility that makes loan repayment unaffordable when the naira depreciates. The CFBF addresses this directly by structuring all financing in naira, ensuring that developers whose revenues are naira-denominated are not exposed to currency mismatch risk. This structural alignment between revenue currency and debt currency is fundamental to the commercial viability of long-duration infrastructure projects.

3. Returnable and Recyclable Capital

Unlike grant-based subsidy programmes, the CFBF's subordinated debt capital is returnable. Developers repay the concessional tranche alongside their senior debt obligations, allowing the Facility to recycle capital into new transactions. This means the original USD 21.3 million capitalisation has the potential to finance multiple cycles of investment, significantly multiplying its development impact relative to its nominal size.

4. Progressive De-Risking Through Market Demonstration

The Facility was designed with an explicit market transformation objective. By absorbing first-loss risk on pioneer transactions, it demonstrates to institutional investors that clean energy infrastructure can perform as a debt investment. As the track record grows, the risk premium required decreases. This is evidenced by the growth in investor participation from six in the first transaction to eleven by the fourth, and by the reduction in concessional subsidy required per unit of capital mobilised.

5. Gender and Productive Use Integration

Unlike most infrastructure finance vehicles, the CFBF explicitly integrates gender and productive use criteria into its impact framework. All transactions are assessed against the 2X Challenge criteria, requiring at least 30% of end-user beneficiaries to be women. The Facility has also institutionalised Productive Use Assessments (PUAs) as a mandatory pre-deployment requirement, ensuring each new transaction is designed to generate commercial and agricultural energy demand, not just household connections.

6. CBI-Certified Green Bond Framework

Every transaction closed under the CFBF has received Climate Bonds Initiative (CBI) certification, establishing each issuance as internationally recognised green finance. This certification provides a credible standard for ESG-conscious investors and enables InfraCredit to attract potential co-investors from the international development finance community.

The CFBF's impact rests on a carefully structured partnership between InfraCredit as co-financing partner and two UK development institutions as anchor funders. Their respective mandates, risk appetites, and portfolio approaches complement each other in important ways.

Our Partnerships:

FCDO and British International Investment



UK Foreign, Commonwealth and Development Office (FCDO)

The FCDO provided the founding capitalisation of the CFBF, committing GBP 10 million in concessional funding in February 2022. As the seed funder, FCDO took the highest risk, providing the capital that established the Facility before any transaction track record existed. This catalytic role is characteristic of FCDO’s approach to blended finance: using public funding to create conditions for private investment rather than replacing it.

All six transactions closed under the CFBF to date have been supported by the FCDO facility, making it the foundation on which every development impact result in this report has been achieved. FCDO’s development impact commitments drive the CFBF’s reporting against energy access connections, GHG emissions reductions, jobs created, private capital mobilised, and gender inclusion outcomes.



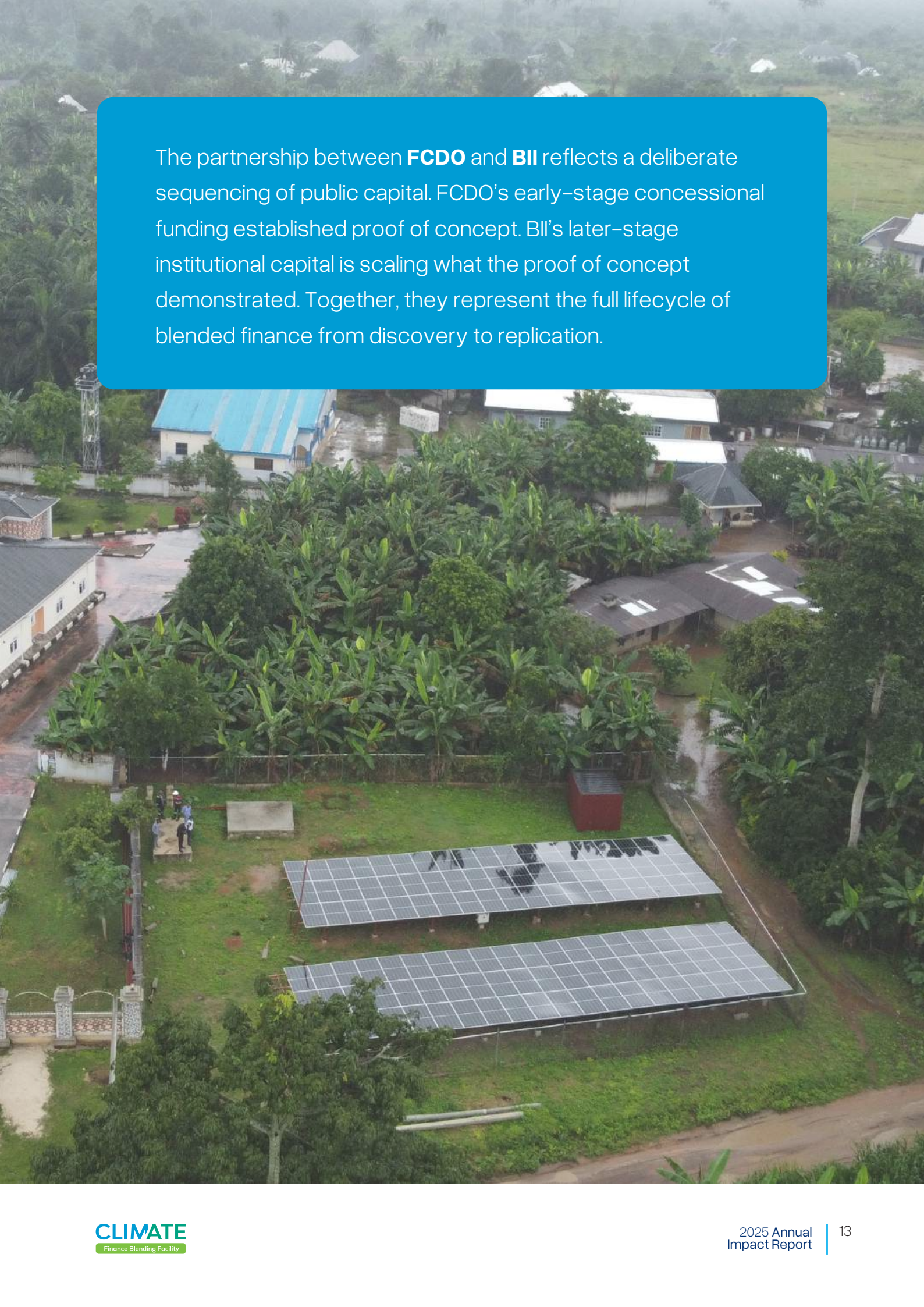
British International Investment (BII)

British International Investment, the UK’s development finance institution, made a commitment of USD 10 million to the CFBF in November 2024, tripling the Facility’s capitalisation and enabling a significant expansion of the pipeline. BII’s capital has unlocked the two transactions closed in Q4 2025 and will underpin several more anticipated in 2026 and beyond.

BII’s involvement brings not only capital but institutional credibility that strengthens the CFBF’s positioning with other potential co-funders. BII’s commitment signals that the CFBF has matured from a pioneering pilot into a proven model worthy of institutional-scale investment.

Shared Objectives and Complementary Roles

Dimension	FCDO	BII
Role	Anchor funder, seed capital	Scale-up funder, institutional cap-ital
Commitment	GBP 10M (Feb 2022)	USD 10M (Nov 2024)
Reporting Framework	UK ICF / OECD DAC indicators	IFC Performance Standards / OECD DAC
Impact Focus	Energy access, jobs, gender, GHG	Economic returns, market system change, gender
Transaction Coverage	All 6 closed transactions	Q4 2025 transactions onward

An aerial photograph of a rural landscape. In the foreground, two large rectangular solar panel arrays are installed on a grassy field. Behind them is a dense grove of banana trees. In the background, there are several buildings, including one with a blue corrugated metal roof and another with a white roof. A dirt road or path runs along the right side of the solar panels. The sky is overcast.

The partnership between **FCDO** and **BII** reflects a deliberate sequencing of public capital. FCDO's early-stage concessional funding established proof of concept. BII's later-stage institutional capital is scaling what the proof of concept demonstrated. Together, they represent the full lifecycle of blended finance from discovery to replication.

Domestic Institutional Investors

One of the most significant development outcomes of the CFBF is the creation of a new investor class in Nigeria's capital markets. For the first time, domestic pension funds and insurance companies are participating in clean energy debt issuances, allocating capital from their long-term liability books to infrastructure serving off-grid communities.

The Investor Landscape

Nigeria's institutional investor market is substantial. The National Pension Commission (PenCom) regulates pension assets exceeding NGN 20 trillion, managed by Pension Fund Administrators (PFAs) on behalf of millions of contributors. Both the pension and insurance sectors are subject to investment guidelines requiring investment-grade ratings, which historically excluded early-stage clean energy transactions.

The CFBF's guarantee architecture resolves this constraint. By combining subordinated first-loss capital with InfraCredit's investment-grade guarantee, each green bond achieves a credit profile that satisfies PenCom and NAICOM investment guidelines, opening the door to participation that would otherwise be structurally excluded.

Participating Investors

Insurance Companies:

Leadway Assurance Company, AllCO Insurance, and other licensed insurers whose long-term liability profiles align with the 7-year tenors of CFBF-backed bonds

Asset Management Firms:

Asset Managers including low-carbon energy-focused funds, Halal compliant funds and broader infrastructure fund managers seeking diversified exposure to Nigerian infrastructure debt.

Growth in Investor Participation

Transaction	Close Date	Investors	Milestone
Darway Coast	Sep 2022	6	First-ever blended green bond for solar mini-grid in Nigeria
Hotspot Network	Jun 2023	9	First-ever blended green bond for solar telephony in Nigeria
ACOB	Dec 2023	8	Second mini-grid transaction; deepened investor familiarity
Prado Power	Oct 2024	11	Doubled investor base from first transaction
Cee Solar	Dec 2025	TBC	Bill-era transaction; expanded under new capitalisation
First Electric	Dec 2025	TBC	Largest geographic footprint for rural electricity to date (20 communities, 3 states)

The CFBF is not just financing clean energy projects. It is training a market. Every institutional investor that participates in a CFBF-backed green bond is building the analytical capacity, regulatory precedent, and risk appetite that will sustain investment in Nigerian clean energy infrastructure long after the Facility's own capital is fully deployed.

CFBF Portfolio at a Glance

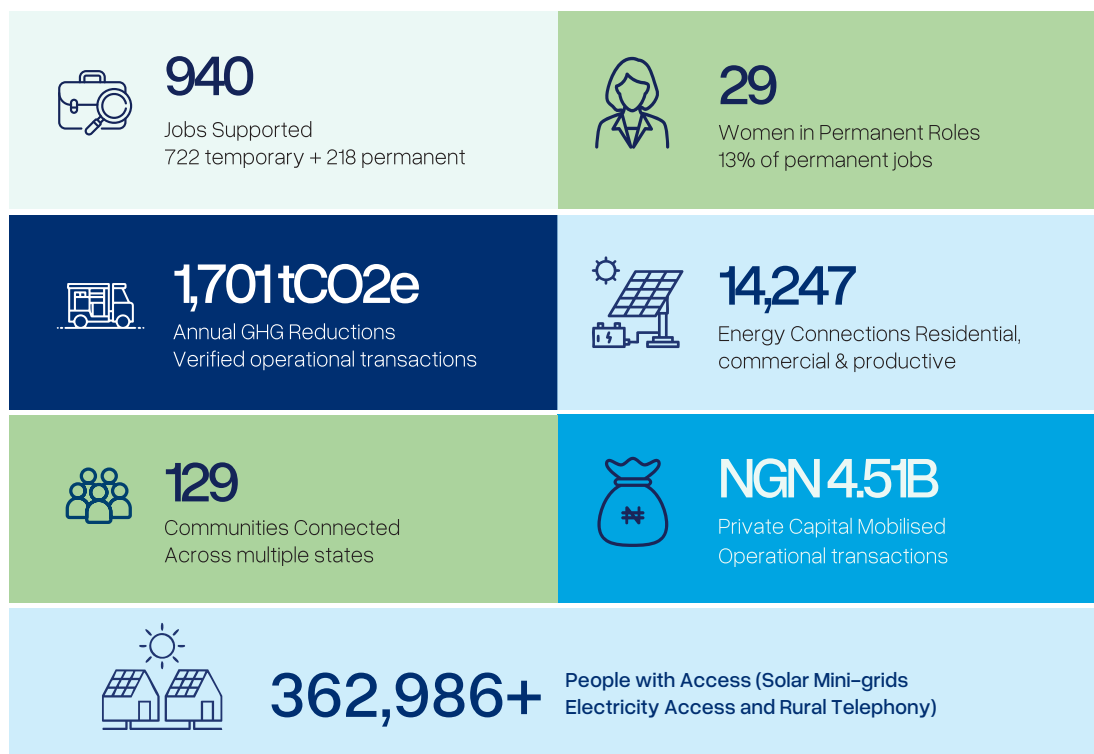
As at Q4 2025, the CFBF portfolio comprises six transactions at financial close, spanning solar mini-grids and rural telephony infrastructure across eight states in Nigeria. The portfolio has a total value of NGN 7.86 billion.

Portfolio Summary

	Darway	Hotspot	ACOB	Prado	Cee Solar	First Elec.	Total
Close	Sep 22	Jun 23	Dec 23	Oct 24	Dec 25	Dec 25	
Size (NGN B)	0.80	0.96	0.755	1.95	1.70	1.70	7.86
Tenor (Yrs)	7	7	7	7	7	7	7
Capacity (kW)	526.1	581	335	1,100	760*	725*	4,027
Status	100%	100%	100%	80%	Ongoing	Ongoing	
Connections	3,727	120 towers	0	10,526	3,597*	5,156*	14,247+
Rating	BBB	BBB-	BBB	BBB	BBB-	BBB-	
Investors	6	9	8	12	TBC	TBC	14 total

(Expected impact figures for Cee Solar and First Electric. Construction ongoing as at December 2025..)

Impact (Operational Transactions)



ESTABLISHED TRANSACTIONS

The following four transactions reached financial close between September 2022 and October 2024. Three of the four have completed construction; Prado Power is 80% complete. This section presents actual impact results against expected targets where operational data is available.

Darway Coast Development Nigeria Limited

Darway Coast is a renewable energy company providing hybrid solar mini-grid and micro-grid solutions for off-grid and underserved areas within Nigeria. Incorporated in 2015, the company employs a Pay-As-You-Go (PAYG) business model with smart meters to manage connections remotely, ensuring both commercial viability and revenue predictability.

Under the CFBF, Darway Coast completed construction of six isolated solar mini-grids totalling 526.1 kW across communities in Rivers and Abia States, none of which had any prior access to grid electricity. The company will provide 7,711 connections spanning households, businesses, schools, clinics, and agro-processing facilities.



Financial Close:

September 2022

Transaction Size:

NGN 800 Million

Status:

Construction Completed,
Connections being
installed

Market Transformation Significance

Darway Coast's September 2022 issuance was the first-ever green-certified blended local currency debt issue for a solar mini-grid project in Nigeria. It attracted six institutional investors and established the legal, financial, and impact measurement template that every subsequent CFBF transaction has built upon.

Impact Results vs. Targets

Indicator	Expected Impact	Progress to Date
Installed Capacity	526.1kW	526.1kW (100%)
Number of Mini-Grid Sites	6	6 (100%)
Energy Connections	7,711	3,727 (48%) — ongoing
Total Jobs Supported	497	144 (29%)
GHG Emissions Reduction	533.04 tCO ₂ e/yr	533.04 tCO ₂ e (verified)
Private Capital Mobilised	NGN 800 million	NGN 800 million (100%)

Employment Breakdown

Category	Count
Temporary Jobs	96
Permanent Jobs	48
Permanent Jobs for Women	15 (31%)
Managerial Roles	15
Managerial Roles for Women	5 (33%)
Total Jobs Supported	144

Connection Breakdown

Connection Type	Count
Residential	3,439
Commercial	626
Productive Use	30
Social / Public	85
Total Connections	3,727

Gender and 2X Challenge

Darway Coast meets the 2X Challenge criteria for end-user impact. An estimated **9,081 rural women farmers** will be empowered with productive use energy machinery to increase their agricultural output and productivity. At the organisational level, **36%** of managerial roles are held by women, exceeding the 2X threshold of 30%.

States of Operation:

Rivers State and Abia State, Southern Nigeria.

Hotspot Network Limited

Hotspot Network Limited is a telecommunications infrastructure and solar-powered rural telephony network provider that uses renewable energy and climate-smart technology to operate telecom sites in off-grid rural parts of Nigeria. The CFBF-backed transaction enabled Hotspot to construct, install, and commission solar-powered base stations in 120 communities across 24 states in Nigeria.

The company builds, owns, and operates these solar-powered mobile network base stations in collaboration with major Mobile Network Operators in Nigeria. Each tower serves approximately 2,500 end users, providing connectivity to communities that were previously excluded from the digital economy.

Market Transformation Significance

Hotspot's June 2023 issuance was the first-ever blended local currency green-certified debt issue for a solar telephony project in Nigeria. The transaction attracted nine institutional investors, three more than the inaugural Darway Coast transaction, confirming that investor appetite for this asset class was growing.



Financial Close:

June 2023

Transaction Size:

NGN 960 Million

Status:

Construction Completed
— 120/120 sites
operational



Solar for Telecom

Impact Results vs. Targets

Indicator	Expected Impact	Progress to Date
Number of Solar Towers	120	120 (100%)
Installed Capacity	324 kW	581 kW (surpassed target)
Number of Sites Completed	120	120 (100%)
Total Jobs Supported	720	798 (111% — exceeded)
GHG Emissions Reduction	8.34 tCO ₂ e/yr	612 tCO ₂ e/yr (exceeded target)
End-User Beneficiaries	300,000	Over 300,000 (met)
Private Capital Mobilised	NGN 955 million	NGN 955 million (100%)

Employment Breakdown

Category	Count
Temporary Jobs	640
Permanent Jobs	158
Permanent Jobs for Women	4 (2.5%)
Managerial Roles	11
Managerial Roles for Women	1 (9%)
Total Jobs Supported	798

Gender and 2X Challenge

Hotspot meets the 2X Challenge criteria for end-user impact. The project has a significant impact on approximately **135,000 rural women farmers** across the **24 states** of operation, improving their business productivity through improved telecommunications access.

States of Operation:

24 states across Nigeria, making Hotspot the most geographically extensive transaction in the CFBF portfolio.

ACOB Lighting Technology Limited

ACOB Lighting Technology Limited is a renewable energy company founded in 2016 to provide sustainable electricity to underserved and unserved communities through solar mini-grids. The CFBF-backed transaction will construct seven solar-hybrid mini-grids with a total capacity of 335 kWp across communities in Edo and Ondo States, providing energy access to approximately 3,597 households and small businesses that previously had no access to clean energy.



Market Transformation Significance

ACOB's December 2023 issuance attracted eight institutional investors, two more than Darway Coast. This progressive growth demonstrates the market demonstration effect: each successful transaction reduces perceived novelty risk for new investors and expands the pool of capital willing to participate.

Financial Close:

December 2023

Transaction Size:

NGN 755 Million

Status:

Construction Complete —
7/7 sites; connections in
progress



Impact Results vs. Targets

Indicator	Expected Impact	Progress to Date
Installed Capacity	335 kWp	335 kWp (100%)
Number of Mini-Grid Sites	7	7 (100%)
Energy Connections	3,597	0 (Meters Configuration in progress)
Total Jobs to be Created	868	57 (construction phase)
GHG Emissions Reduction	352.15 tCO2e/yr	0 (pre-operational)
Private Capital Mobilised	NGN 755 million	NGN 755 million (100%)

Employment Breakdown (Construction Phase)

Category	Count
Temporary Jobs (Construction)	45
Permanent Jobs (Operations)	12
Permanent Jobs for Women	7 (58%)
Managerial Roles	10
Managerial Roles for Women	2 (20%)
Total Jobs to Date	57

Gender and 2X Challenge

ACOB meets the 2X Challenge criteria. It is expected that through productive energy utilisation (PUE) equipment, the project will improve the livelihoods of **10,521 female rural farmers** across seven communities in Edo and Ondo States, enhancing agricultural productivity and income generation opportunities.

States of Operation:

Edo State and Ondo State, Southern Nigeria.

Prado Power Limited

Prado Power Limited is a renewable energy company founded in 2014 to provide electricity access to unserved and underserved communities in Nigeria. The Company also provides Engineering, Procurement and Construction (EPC) and consultancy services on renewable energy projects. Under the CFBF, Prado is constructing solar-hybrid mini-grids with a total capacity of 1,220 kWp across four communities in Akwa-Ibom and Benue States.

The mini-grids are expected to connect approximately 15,801 households, small businesses, and agro-processors. Three of the four sites have reached construction completion, with 10,526 connections already established.

Market Transformation Significance

Prado Power's October 2024 issuance attracted 11 institutional investors, double the number in the inaugural Darway Coast transaction just two years earlier. This represents the most significant single indicator that the CFBF's demonstration effect is converting institutional investor hesitancy into conviction.



Financial Close:

October 2024

Transaction Size:

NGN 1.95 Billion

Status:

Construction underway —
3/4 sites complete (80%)



Impact Results vs. Targets

Indicator	Expected Impact	Progress to Date
Installed Capacity	1,220 kWp	1,100 kWp (90%) — site 4 ongoing
Number of Mini-Grid Sites	4	3 (75%) — site 4 ongoing
Energy Connections	15,801	10,526 (67%) — ongoing
Total Jobs to be Created	740	N/A — being tracked
GHG Emissions Reduction	1,282.47 tCO ₂ e/yr	1,156.32 tCO ₂ e (90%)
Private Capital Mobilised	NGN 1.95 billion	NGN 1.95 billion (100%)

Connection Breakdown (3 Sites Operational)

Category	Count
Residential	8,631
Commercial	1,895
Productive Use	0
Total Connections to Date	10,526

Gender and 2X Challenge

Prado Power meets the 2X Challenge criteria. The clean energy services are structured to benefit at least **30%** women across all four communities, and the project aims to improve the livelihoods of **6,012 female rural farmers** through productive energy utilisation equipment.

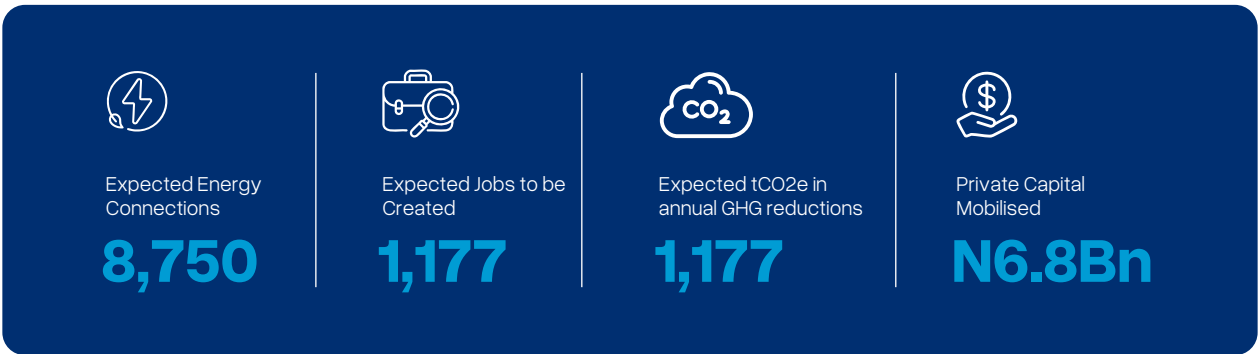
States of Operation:

Akwa Ibom, Kano and Benue State.

NEW TRANSACTIONS CLOSED IN 2025

Two transactions reached financial close in Q4 2025 under the expanded CFBF capitalisation anchored by BI's USD 10 million commitment. Both transactions are in early construction phase as at December 2025. This section presents their expected development impact and strategic significance. Actual results will be reported in subsequent impact reports as construction progresses and commercial operations commence.

Impact of these two transactions:



Cee Solar Energy Limited

CEESOLAR Energy Limited is a renewable energy company focused on providing energy access across Nigeria through renewable and decentralised energy systems. The company commenced operations in 2017 and has built a track record of 729.5 kWp installed capacity across mini-grid installations and stand-alone solar systems, serving over 695 connections across Imo, Abia, Lagos, Cross River, Enugu, Bayelsa, and the FCT.

Under the CFBF, CEESOLAR will develop and operate four solar mini-grids in Cross Rivers State with a total capacity of 760 kWp and up to 3,597 connections.

NOTE: Cee Solar reached financial close in December 2025. Construction is ongoing as at the reporting date. All figures below represent expected outcomes. Actual results will be reported commencing in 2026.



Financial Close:
December 2025

Transaction Size:
NGN 3.40 Billion

Status:
Construction commenced
— Q4 2025 close



Expected Impact

Indicator	Expected Impact	Progress to Date
Installed Capacity	760 kWp	Construction ongoing
Number of Mini-Grid Sites	4	Construction ongoing
Energy Connections	3,597	Construction ongoing
Total Jobs to be Created	561	Construction ongoing
GHG Emissions Reduction	737 tCO ₂ e/yr	Construction ongoing
Private Capital Mobilised	NGN 3.40 billion	Committed at close

Transaction Significance

The **NGN 3.4 billion** transaction size, more than four times the size of the inaugural Darway Coast transaction in 2022, reflects both the growth in investor appetite and the increasing scale of projects entering the CFBF pipeline.

Gender Commitment:

CEESOLAR has committed to ensuring clean energy services benefit at least 30% women across all four communities, consistent with 2X Challenge requirements.

State of Operation:

Cross Rivers State, South-South Nigeria.

First Electric Power and Automation Services Limited

First Electric Power and Automation Services Limited is a clean energy company delivering decentralised clean energy across Nigeria, with 800 kWp installed since its founding in 2017. Its mini-grids and stand-alone solar systems serve over 250 active Energy-as-a-Service (EaaS) connections across Lagos, Abuja, and Ondo States.



Under the CFBF, First Electric will construct 725 kWp total capacity of mesh grid electricity networks across 20 communities in Gombe, Nasarawa, and Ondo States, connecting 5,156 households and small businesses. With 20 communities across three states, this is the most geographically dispersed single transaction in the CFBF portfolio.

NOTE: *First Electric reached financial close in December 2025. Construction is ongoing as at the reporting date. All figures below represent expected outcomes. Actual results will be reported commencing in 2026.*

Financial Close:
December 2025

Transaction Size:
NGN 3.40 Billion

Status:
Construction commenced
— Q4 2025 close



Expected Impact

Indicator	Expected Impact	Progress to Date
Installed Capacity	725 kWp	Construction ongoing
Number of Communities	20	Construction ongoing
Energy Connections	5,156	Construction ongoing
Total Jobs to be Created	616	Construction ongoing
GHG Emissions Reduction	762 tCO ₂ e/yr	Construction ongoing
Private Capital Mobilised	NGN 3.40 billion	Committed at close

Transaction Significance

First Electric's 20-community footprint across three states represents the CFBF's most ambitious rural electrification reach in a single transaction. The Gombe State component is particularly significant, extending the Facility's impact into the North-East, a region with historically limited access to clean energy investment.

The EaaS model employed by First Electric is noteworthy for its alignment with productive use and gender inclusion objectives. By removing upfront capital barriers, EaaS enables small businesses, women traders, and agro-processors to access electricity without needing to make capital investments they cannot afford.

Gender Commitment:

First Electric has committed to ensuring clean energy services benefit at least 30% women across all 20 communities. The EaaS model is expected to be particularly accessible to women-owned small businesses and female-headed households.

States of Operation:

Gombe State (North-East), Nasarawa State (North-Central), and Ondo State (South-West Nigeria).

LESSONS LEARNED AND ADAPTIVE MANAGEMENT

A distinctive feature of the CFBF's impact management approach is its commitment to learning from the field and integrating that learning into the design and execution of future transactions. Two formal studies have been conducted under the Facility, and their findings have already been operationalised into changes in how InfraCredit structures and monitors new transactions.

Two Foundational Studies

1. Productive Use of Energy (PUE) Needs Assessment (October 2023)

This assessment examined energy demand in six Darway Coast mini-grid communities in Rivers and Abia States, identifying gaps in energy access for commercial and agricultural activities. It provided key recommendations on equipment needs and energy-efficient processing solutions appropriate to existing community livelihoods.

2. Internal Impact Evaluation of Darway Coast Mini-Grids (November 2024)

Conducted across five operational communities, this study reinforced the critical role of productive energy use in improving project sustainability, economic viability, and community impact. It provided InfraCredit with granular evidence of how electrification changes community economic dynamics in the short and medium term.



Key Lessons and Implications

Mini-Grid Viability Depends on Commercial Energy Demand

Relying solely on household connections is insufficient to sustain mini-grid projects financially. Productive use applications, including agro-processing, cold storage, and small-scale manufacturing, are essential for driving commercial demand and ensuring financial sustainability. Mini-grids with strong commercial demand achieve faster cost recovery and long-term viability.

Implication: PUE uptake is now a key metric in site selection, with communities that have existing or latent agricultural processing activities receiving preference in CFBF due diligence.

Energy Financing Should Be Bundled with Equipment Financing

The lack of access to financing for productive use equipment remains a major barrier for rural entrepreneurs and agro-processors. Communities have strong demand for electric-powered equipment but lack upfront capital. Future CFBF-supported projects should integrate lease-to-own models, microcredit schemes, and subsidy mechanisms to bridge this affordability gap.

Implication: InfraCredit has formalised a strategic partnership with the Shell Foundation to develop frameworks that bundle energy provision with access to electric-powered processing equipment, directly implementing the energy-plus-equipment model.

Strategic Site Selection Should Factor in Economic Activities

The economic potential of a mini-grid site should be a key determinant in its selection. Communities with existing or latent agricultural processing activities offer a stronger business case. Pre-deployment assessments should evaluate not only population size but also the density of commercial activities and their energy needs.

Implication: Productive Use Assessments (PUAs) are now a mandatory pipeline requirement for every new clean energy transaction entering the CFBF.

Infrastructure Bottlenecks Can Undermine PUE Adoption

Despite energy availability, poor road networks, weak supply chains, and limited access to markets can hinder productive use adoption. Addressing these barriers requires coordinated efforts between mini-grid developers, local governments, and infrastructure financiers.

Implication: InfraCredit is incorporating infrastructure readiness assessments into pre-deployment due diligence and engaging with state governments to coordinate investments where possible.

Adaptive Management: What Has Changed

Lesson	Response	Status
PUE critical for viability	PUAs now mandatory for all new pipe-line transactions	Implemented (2025)
Equipment financing gap	Strategic partnership with Shell Founda-tion for bundled financing	Active (2025)
Site selection methodology	Assessments now include commercial density and PUE potential	Implemented (2025)
Gender data quality	Strengthened data collection protocols at project level	Ongoing
Retroactive PUAs	Conducting PUAs for existing portfolio with high PUE potential	In progress

The CFBF’s adaptive management approach represents a deliberate investment in institutional learning. Every lesson captured in a field assessment is a potential improvement to the design of future transactions. This commitment to continuous improvement is what distinguishes a maturing impact investment platform from a static grant programme



Impact Stories

The numbers in this report tell one dimension of the CFBF's story. The voices of those who live and work in communities where the Facility's projects operate tell another. The following testimonials were gathered from community members, business owners, and farmers in Darway Coast operational communities in Rivers and Abia States.



Economic Relief and Business Growth

For small business owners in rural Nigeria, the shift from expensive petrol generators to solar-powered electricity is a structural change in the economics of operating a business. Generator fuel can consume 30–50% of a small business's daily revenue; solar electricity through a PAYG smart meter costs a fraction of that.



"I have seen a very big difference because you can't compare the cost of petrol to the amount you will use to recharge for the solar. My sales have increased significantly since I started using solar light."

Felicia Adindu

Trader, Akpoku Community, Etche LGA,
Rivers State



“If I buy 10 liters of fuel a day, I will want to make use of just half of it for a few hours, but ever since solar power came, we have had constant supply of light. The light is just there.”

Chioma Chinwendu,
Trader, Akpoku Community, Etche LGA,
Rivers State

Improved Access to Clean Water

Beyond commercial benefits, solar power has transformed access to basic services in mini-grid communities. Solar-powered water pumping systems within mini-grid networks mean that communities relying on manual water collection or expensive generator-powered boreholes now have affordable, around-the-clock access to clean water.



“We have a community borehole; ever since we got connected to solar light, we now have access to clean water anytime of the day and the community people also use it frequently.”

Community Leader, Umoye Community,
Etche LGA, Rivers State, Rivers State

Unlocking Industrial Potential

For local industries and processing businesses, reliable electricity is creating new possibilities for expansion. Energy reliability gives business owners confidence to invest in new equipment, increase production, and generate income that circulates within local economies.



“I am excited about solar electricity; and I am interested in getting new machines that will enable me to produce more palm oil, make more profit, and reduce the burden of petrol price.”

David Samson

Oil Palm Processor, Akpoku Community,
Etche LGA, Rivers State

These testimonials illustrate the CFBF’s productive use thesis in action. When affordable electricity reaches rural communities, the first effect is often economic: businesses stay open longer, costs fall, productivity rises. The second, more transformative effect is investment: with reliable power, entrepreneurs invest in electric equipment, expand their operations, and create jobs for others.

Gender and Social Inclusion

Gender and social inclusion are integrated into transaction design, due diligence requirements, and portfolio monitoring from the earliest stages of deal origination. The Facility’s commitment to the 2X Challenge criteria means every transaction must demonstrate that women will benefit by at least 30% across all implementation areas.

2X Challenge Alignment

Transaction	2X Criterion	Key Gender Commitment
Darway Coast	End users	9,081 rural women farmers empowered with PUE ma-chinery; 36% women in managerial roles
Hotspot Network	End users	135,000 rural women benefit from improved telecoms access for business and social services
ACOB	End users / Leader-ship	10,521 female rural farmers benefit from PUE; 20% women in management; 30% women across all com-munities
Prado Power	End users	6,012 female rural farmers benefit from PUE; 30% women across all communities
Cee Solar	End users (commit-ted)	30% women beneficiary commitment across all four communities
First Electric	End users (commit-ted)	30% women commitment across 20 communities; EaaS model reduces access barriers for women

Portfolio-Level Gender Results



Productive Use of Energy as a Gender Multiplier

The CFBF's focus on Productive Use of Energy has particular significance for gender inclusion. Agricultural processing is one of the largest employers of women in rural Nigeria, yet women agro-processors are disproportionately disadvantaged by the high cost and unreliability of energy. Electric-powered equipment for cassava processing, oil palm extraction, grain milling, and cold storage can dramatically increase women's productivity and income while reducing the physical burden of manual processing.

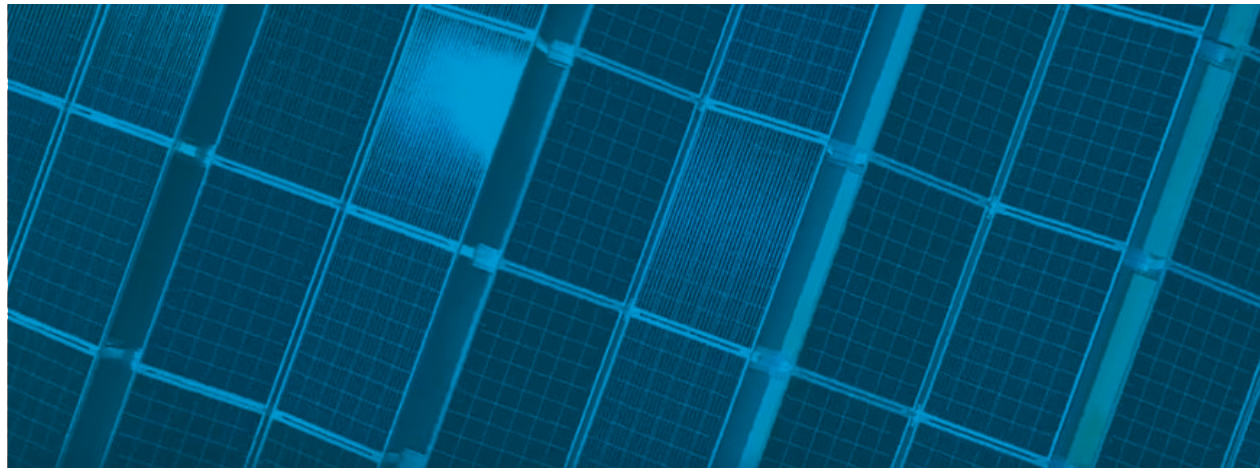
By integrating PUE criteria into site selection and bundling equipment financing with energy provision through the Shell Foundation partnership, the CFBF is systematically directing its development impact toward the women who stand to benefit most from productive energy access.

Areas for Improvement

InfraCredit acknowledges that permanent employment numbers for women remain low in some transactions, particularly Hotspot Network, where the technical nature of telecoms infrastructure fieldwork presents structural barriers to women's participation. We are engaging with portfolio companies on women's employment practices and will report on progress in subsequent impact reports.

SDG Alignment

All transactions in the CFBF portfolio generate direct and measurable contributions to the United Nations Sustainable Development Goals. The Facility's primary SDG contribution is to SDG 7 (Affordable and Clean Energy), but its systemic approach to rural electrification generates significant co-benefits across a broader set of goals.



SDG	Goal	CFBF Contribution
	Affordable and Clean Energy	Solar mini-grids and telephony provide affordable, reliable clean energy to communities the national grid does not reach. 14,247 connections established, with 27,506 additional expected from the 2025 pipeline.
	Decent Work and Economic Growth	940 jobs supported to date (722 temporary, 218 permanent). Electricity enables local businesses to extend hours, serve more customers, and invest in productive equipment.
	Industry, Innovation and Infrastructure	CBI-certified green bonds establish replicable infrastructure financing precedents. Distributed renewable energy delivered through innovative private sector models.
	Climate Action	1,701 tCO ₂ e in annual GHG reductions from operational transactions, replacing fossil fuel use. Expected to reach 3,200 tCO ₂ e when full portfolio is operational.
	Good Health and Well-Being	Electrification of clinics and hospitals documented in served communities. Solar-powered boreholes provide clean water access in multiple communities.
	Quality Education	Electrification of schools and access to light for nighttime study documented in Darway Coast communities. Solar connectivity supports access to online educational resources.
	Partnerships for the Goals	FCDO-BII-InfraCredit partnership demonstrates effective publicprivate collaboration for development finance. Engagement of 14 domestic institutional investors creates new private sector partner-ships.
	Gender Equality	2X Challenge alignment across 100% of portfolio. Over 155,000 rural women empowered as end-user beneficiaries. Women in managerial roles across all operational transactions.

Looking Ahead: 2026 and Beyond

The CFBF enters 2026 with its strongest pipeline and most robust capitalisation since inception. BII’s GBP 30 million commitment, combined with the proof of concept established across four operational transactions, positions the Facility to accelerate its transaction pace and expand its geographic and sectoral reach.

2026 Priorities

- **Construction Completion:** Prado Power’s fourth site and the early-stage construction of Cee Solar and First Electric will progress through H1 2026, generating the first operational data from the 2025 vintage transactions.
- **New Pipeline Transactions:** Several additional transactions are in advanced due diligence. The Facility expects to close at least two to three new transactions in 2026, further deepening the portfolio.
- **PUA Integration:** Mandatory Productive Use Assessments will be completed for all new pipeline transactions before financial close, verifying commercial and agricultural energy demand in advance.
- **Shell Foundation Partnership:** The bundled energy-plus-equipment financing framework is expected to be piloted in at least one new transaction in 2026, directly addressing the equipment financing gap identified in field assessments.
- **Gender Disaggregated Data:** Strengthened data collection protocols will be deployed across the portfolio in 2026, improving the quality and completeness of gender-disaggregated impact data.
- **Market Transformation Assessment:** InfraCredit will commission an external assessment of the CFBF’s market transformation impact in 2026, examining whether domestic institutional investors are beginning to participate in clean energy transactions outside the Facility’s own pipeline.

Expected Impact (Full Portfolio on Completion)

~36,000+	~3,200 tCO2e	2,700+	NGN 11.3B+
Total Connections (Full Pipeline) Established + 2025 transactions	Annual GHG Reductions (Full Pipeline) Full portfolio operational	Total Jobs (Full Pipeline) All 6 transactions at full operation	Private Capital Mobilised Established + 2025 transactions

The CFBF was designed to be a catalyst. Its ultimate measure of success is not the size of its own portfolio, but the extent to which it has changed the market: whether Nigerian institutional investors participate in clean energy transactions without concessional support, whether local currency clean energy bonds trade at commercial spreads, and whether the communities it has served continue to benefit from new investment long after the Facility's capital is fully deployed.

Appendix: Key Definitions and Methodology

Definitions

Term	Definition
CFBF	Climate Finance Blending Facility
FCDO	UK Foreign, Commonwealth and Development Office
BII	British International Investment
PUE	Productive Use of Energy: use of electric-powered equipment for income-generating activities including agriculture, processing, manufacturing, and commercial services
PUA	Productive Use Assessment: a pre-deployment study evaluating commercial energy demand in proposed project communities
2X Challenge	A global initiative to mobilise investment advancing women's economic empowerment, with defined criteria for end-user benefit, employment, leadership, and supply chain
CBI	Climate Bonds Initiative: an international organisation promoting investment in climate change solutions through a globally recognised green bond certification standard
IRIS+	Impact Reporting and Investment Standards: a system for measuring, managing, and optimising impact maintained by the Global Impact Investing Network
DCED Standard	Donor Committee for Enterprise Development Standard for Results Measurement in private sector development programmes
tCO2e	Tonnes of CO2 equivalent: a standardised unit for measuring greenhouse gas emissions and reductions
EaaS	Energy-as-a-Service: a model in which customers pay for energy services rather than purchasing energy equipment
PAYG	Pay-As-You-Go: a metered electricity access model in which customers purchase energy credit in small increments

Methodology Notes

- All impact data is sourced from quarterly monitoring reports submitted by portfolio companies to InfraCredit, supplemented by site visits and independent assessments where conducted.
- GHG emissions reductions are calculated based on the Nigeria grid emission factor, using the GOGLA methodology for off-grid solar GHG accounting where applicable.
- Job counts follow IRIS+ PI1234 (Jobs Created) definitions. Temporary jobs are those created during construction; permanent jobs are those created in operational phases.
- Connection counts follow GOGLA Tier 2 or above for household and commercial connections. Social connections include schools, clinics, and community facilities.
- Private capital mobilised is defined as the total value of local currency bonds issued and subscribed by domestic institutional investors under InfraCredit's guarantee, excluding the CFBF's own subordinated tranche.
- 2X Challenge alignment is assessed against the 2X Criteria framework (2023 edition) by InfraCredit's Gender Specialist in consultation with portfolio companies.

Contact Information

For further information about the Climate Finance Blending Facility, please contact:
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This report was prepared by InfraCredit's Development Impact function for distribution to CFBF anchor funders and designated stakeholders. Figures are as at 31 December 2025 unless otherwise stated.

Catalysing a sustainable **just and equitable energy transition**



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