

# SOCIAL INVESTMENT MANAGERS AND ADVISORS (SIMA) LAUNCHES A COALITION OF \$84M ENERGY ACCESS RELIEF FUND

*The EARF is the need of the hour relief financing to viable energy access companies in sub-Saharan Africa and Asia facing disruptions caused by COVID-19.*

NEW YORK, NEW YORK, UNITED STATES, September 1, 2021

[/EINPresswire.com/](https://EINPresswire.com/) -- [Social Investment Managers and Advisors \(SIMA\)](#) is pleased to announce the

launch of the much-awaited Energy Access Relief Fund (EARF) with a first close of \$68 million, which has a target closing of about \$84 million by end of the year. The Fund aims to support off grid solar enterprises and protect energy access for more than 20 million people in sub-Saharan Africa and Asia. SIMA, the Fund Manager of EARF, will undertake the task of processing hundreds of applications and provide relief loans to institutions that are facing liquidity constraints caused by disruptions related to COVID-19.

The launch of Energy Access Relief Fund (EARF) marks a breakthrough in providing much-needed relief funding to a range of energy access companies that are still facing the threat of eroding business viability even after 18 months since the onset of COVID. On one hand, supply chain disruptions and increasing commodity prices make the supply of solar components harder for these companies. On the other hand, COVID lockdowns and the resulting economic hardship has disproportionately affected their customer base, comprised of people at the bottom of the pyramid.

“SIMA works in some of the most underserved countries and communities in the world, and we see an opportunity through EARF to help enterprises navigate and recover from the COVID-19 crisis in these regions. Our team has worked industriously and has innovated the EARF financing solution to the off grid solar sector. I would like to thank all the Development Finance Institutions, Impact Investors, Donors, and Foundations that came together to make EARF a reality.” said [Asad Mahmood](#), the CEO of SIMA.



The EARF is the culmination of the efforts of a diverse group of investors including CDC, FMO, DFC, GCF, Acumen, Shell Foundation, The Rockefeller Foundation, IKEA Foundation, USAID, UK Aid, IFC, World Bank and SIDA. Even as budgets were constrained and investments were at risk, the investors have leveraged their collective resources to safeguard sector-wide impact and have played a crucial support in overcoming several headwinds in closing the Fund, converting the possibility of EARF into a reality.

“As per our estimation, about 77% of the small and medium-sized companies that have applied to the EARF are facing liquidity crisis, and with limited access to capital, these companies are struggling to fund local jobs and operating expenses for their business continuity”, said [Arivazhagan G D](#), Vice President at SIMA.

To abate the impact of the ongoing crisis on the off-grid companies, the Energy Access Relief Fund will provide subordinated capital with subsidized interest rate of up to 5%, medium tenure (up to 3.5 years) and no collateral to about 90-100 energy access companies that have had a viable business model prior to the onset of COVID-19. Also, with a target size of \$84M, the EARF's support may increase to a total of 100-120 companies by Q1 2022.

Being a relief fund in nature, EARF loans needed to be timely to provide the necessary support. Thanks to a set of generous funders - Shell Foundation, The Rockefeller Foundation, The IKEA Foundation, FCDO and USAID - SIMA has been providing relief loans since January 2021 through "Prime the Pump" (PTP) platform, covering nine relief loans in seven countries, ahead of the Fund close. Also, the subsidized guarantee support from the Swedish International Development Cooperation Agency (SIDA) has provided a highly catalytic support in closing the EARF facility.

To handle the underwriting for a large number of loans, SIMA has innovated and uniquely designed its underwriting process: an automated template approach that will create efficiency by expediting the underwriting process but also maintain high quality credit underwriting. With an already built robust pipeline of 80-90 companies, SIMA is estimating to provide relief support to cumulatively about 33 companies in Q3 2021.

The EARF facility provides a unique opportunity as a Petri dish for a large number of small to medium sized solar energy companies to be introduced and help adapt the ESG and gender lens standards. “We are developing an ESG process that will provide a uniform and incremental approach to facilitate the adaptation of the ESG criteria. We are also developing technical assistance, particularly for the smaller borrowers to build up their capacities and to help the EARF meet its social objectives. We have also implemented a gender lens into our investment approach, which is especially relevant in light of the outsized impact of COVID-19 on women.”, said Michael Rauenhorst, Managing Partner at SIMA.

Arivazhagan G D  
SIMA Funds

+91 75300 72223

[email us here](#)

Visit us on social media:

[LinkedIn](#)

---

This press release can be viewed online at: <https://www.einpresswire.com/article/550286739>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2021 IPD Group, Inc. All Right Reserved.