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Pioneer Facility signs a USD 500,000 loan agreement with Okra solar for last-mile electrification

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Phnom Penh, December 23, 2020 – The Pioneer Facility, an impact investing fund managed by Nexus for Development, closed its last 2020 financing with Okra Solar, a technology company providing a plug-and-play smart grid solution that enables rapid electrification for last-mile communities.

The Pioneer Facility loan of USD 500,000 is to assist Okra to cover their working capital needed to manufacture and distribute over 30,000 Okra Pod in the next couple of years, with a focus on the Filipino market, but also in other geographies in Southeast Asia, Africa and the Caribbean.

“Energy should be a fundamental human right for every single person in modern society. Access to energy unlocks the doors for internet connected devices, productive appliances and household comforts that give humans the space of mind to figure out which of life’s opportunities they want to seize. I’m really grateful that Nexus is supporting us with this funding. Every dollar will go towards providing energy companies more of our smart-grid technology that at the end of the day will bring more power to the people.” Afnan HANNAN, CEO & co-founder of Okra Solar

Okra’s innovative smart-grid solution enables solar home systems to form interconnected networks that share distributed solar generation and battery storage in a plug & play manner. This approach provides 24/7 power for productive use such as rice cooking and refrigeration and is also equipped with IoT to enable remote monitoring, control and maintenance, thanks to the Okra Harvest platform. Moreover, a local maintenance agent is trained in each village to read from the Harvest platform and conduct necessary maintenance as well as processing mobile money payments made by the community.

Okra works with distributed energy service companies (DESCOS) in their targeted geographies, supporting them with Okra’s novel smart grid technology enabling the energy companies to reach more households and provide more affordable and reliable power to them.

Okra has targets to energize more than 1 million people with their partners in the next 3 years. In order to achieve these targets both Okra and their partners will need to mobilize large sums of capital. With plummeting costs of solar, batteries, and automation of assets with technologies such as Okra these projects are becoming more attractive to private funders.

As of today, the number of off-grid households remains at about 200 million in the world, i.e. 800 million people. With their technology, Okra can achieve deep penetration into markets with large population of off-grid people and is positioned as an effective solution for energy companies around the world to deploy cost-effective 24/7 off-grid energy access. The Philippines became naturally a focus country with 2.2 million off-grids households recorded.

Okra empowers low-income households with reliable, affordable and clean energy access (SDG 7), positively impacting Climate Change (SDG 13) and resulting in several indirect positive outcomes such as better education (SDG 4) and decent job creation (SGD 8).

According to Okra’s pilot study from the Philippines, connected households can expect to see a 30% increase in their income in the first 6 months after electrification. This is largely due to the availability of 24/7 power which reduces time spent collecting fuel, and the use of freezers which is increasing the life of perishables. At the last-mile, it will create an average of 3 jobs per village of 65 households, i.e. 2,500+ jobs on maintenance and network management from local community members who are also trained in basic digital literacy to address insights from the Okra Harvest platform.

Also, by introducing renewables as a scalable solution to off-grid communities, Okra’s solution can curb the catastrophic growth in CO₂ emissions predicted if the off-grid population would adopt fossil fuel-based technologies.

By accessing the Pioneer Facility, Okra has now the ability to complete bigger manufacturing runs at a lower cost per unit which will help accelerating the company’s growth and delivering on sales over the next 24 months.

About Pioneer Facility

Pioneer Facility is an innovative fund that provides scale-up capital, via working capital or capex loans, to enterprises that offer sustainable energy and clean water solutions to underserved populations in Southeast Asia.

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About Nexus for Development

Nexus for Development is an international not-for-profit organization founded on the principles of sustainable development. We drive access to finance in developing economies across Asia to increase sustainable energy and water resource development, advance low-carbon solutions, and scale local implementers.

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