

Main Features

- **Status** Independent, grant-making charity created by Royal Dutch/Shell, June 2000
- **Decision-Making** SF Board solely responsible for governance – no Shell Group/business veto
- **Funding** CMD through 2010, then endowment; \$15m annually rising to \$25m; 80 projects
- **Focus** Societal issues linked to energy; impact of globalisation on vulnerable communities
- **Group aims** Counterattack; Solutions Provider; enhanced stakeholder value proposition; Radar screen and incubator

Operating Principles

- **Projects must address SF charitable objectives; process & outputs must be in the public domain**
- **Projects must be **Viable**, **Measurable** and **Scaleable** – with an exit route for SF**
- **Work through local partnerships with organisations willing share risks (eg for profits, certain NGOs and donors)**
- **Maximize social benefit by harnessing Shell knowledge, expertise, networks, credibility, convening power**
- **Early consultation with OUs to ensure projects/outcomes aligned w/ Group/Business interests and issues**

Energy and Environment

- Embarq* Sustainable transport solutions for cities
- Gabon* Sustainably managing energy industry
- Biodiversity* impacts on biodiversity

Energy and Poverty

- Energize* Catalyzing innovations in Finance and Delivery Systems to provide affordable energy to the poor
- Breathe Easy* Promoting large-scale uptake of appropriate & affordable ways to reduce smoke in homes

Sustainable Communities

- Counter-balance* Linking community development to the “shelf space” and supply chains of MNCs



23 projects in 11 countries; 14 ongoing in Egypt, Kenya, Nigeria, South Africa, Uganda, Burkina Faso, Gabon and Ethiopia; 4–6 more to be approved end November 2003

Partners incl major donors and NGOs but also local banks, SMEs and investment managers

\$11.4 million committed; \$12 million leveraged from others

40% of total SF spend to date; \$2 - \$4m annually next 3 years targeting southern, east and west Africa

Dr Enos Banda – SF Trustee; former SA Electricity Regulator; now CEO of Eskom International

SF staff w/20+ person years in-country and hands-on African experience



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SUSTAINABLE ENERGY
PROGRAMME

INVESTMENT PARTNERSHIPS: UGANDA ENERGY FUND

Capital base: US\$4 million provided on a matched basis by Dfcu Leasing and SF, together with US\$0.25m business support

Status: 6 months set up, launched Jan 2003

Shell Uganda: Valued technical input and involved in overall governance of Fund

Performance: Excellent – \$1.3m approved in 6 months as lease finance to 25 beneficiaries (schools, village banks, rural entrepreneurs)

Scale-Up: \$6 million successor fund planned

Other pilots: ETEF - South Africa; \$6.3 million

Roll Out: West & Central Africa - \$5 million



EQUIPPING BUSINESS.
EMPOWERING THE NATION.



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IN ASSOCIATION WITH
SHELL UGANDA



BREATHE EASY Programme

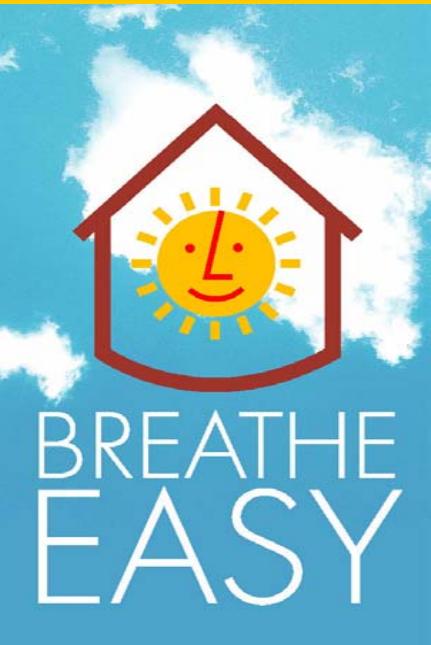


BREATHE
EASY

SMOKE-FREE HOMES.
HEALTHY FAMILIES.



- IAP is the poverty issue linked to energy
- approx 2 million deaths every year from effects of indoor smoke inhalation
- Need is for market-based solutions that get smoke out of kitchens
- Strategy is to pilot business models/delivery mechanisms then facilitate scale up/roll out
- Initial pilots in India, Mexico and Guatemala
- Second generation: Ghana, Kenya and Ethiopia
- Delivery mechanisms/products being tested:
 - > consumer/enterprise financing
 - > cleaner fuels/more efficient stoves
 - > improved mfg, installation, servicing
 - > social marketing



SMOKE-FREE HOMES.
HEALTHY FAMILIES.

GOAL:

Reduce the health risks associated with IAP suffered by women and children in developing countries

OBJECTIVES:

- 1. To establish a set of financially viable 'anchor projects' in up to five countries**
- 2. To scale up markets for cleaner fuels and improved appliances**
- 3. To achieve international roll out of successful initiatives piloted by Shell Foundation**





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SUSTAINABLE ENERGY
PROGRAMME

BREATHE EASY Programme

KEY PERFORMANCE INDICATORS

2 1/5 YEARS:

250,000 poor households taken out of risk from IAP

20% of enterprises supported by SF operate at a profit

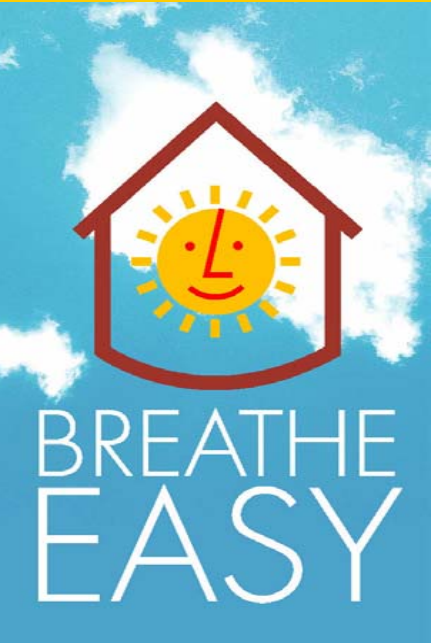
\$10 million leveraged for roll out of SF initiative

5 YEARS

1 million households

50% of enterprises

\$30 million leverage



SMOKE-FREE HOMES.
HEALTHY FAMILIES.



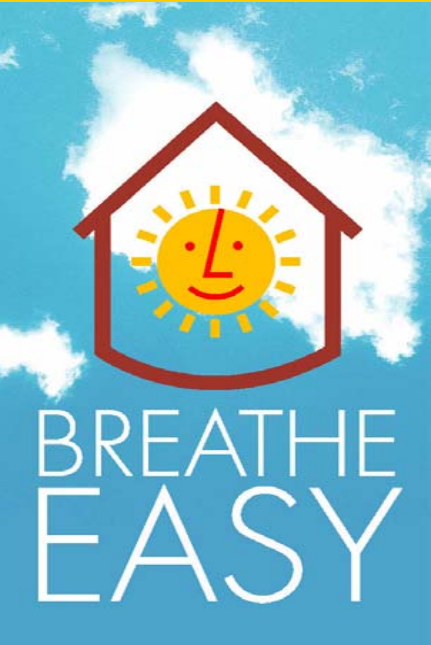
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LESSONS AND CHALLENGES



SMOKE-FREE HOMES.
HEALTHY FAMILIES.



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Target driven V demand driven
Subsidies V consumer financing
Single product V menu of options

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WHAT'S THE CVP?





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SUSTAINABLE ENERGY
PROGRAMME

KENYA BREATHE EASY FUND



SMOKE-FREE HOMES.
HEALTHY FAMILIES.

OVER 100 applications

Getting beyond projects – opportunity for bigger play

- ❖ **Consumer credit**
- ❖ **Enterprise finance**
- ❖ **BDS**
- ❖ **Social marketing**
- ❖ **Product development**
- ❖ **Vendor/product selection**

**SUSTAINABLE MARKET DRIVEN
IMPACTS**



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