



# FRES - Plan 2025

Final  
February 2025

Entrepreneur Chata Traoré proudly operates her shop in the village of Faramana, Burkina Faso, and uses two FRES solar systems to illuminate her space, power a freezer for cold storage of fresh fish and three refrigerators dedicated to chilled beverages.



# Introduction: Strategic Overview for 2025



- As we step into 2025, the strategic direction of FRES NL and its subsidiaries is marked by a critical shift in focus. Following the conclusion of the 2024 business plan, FRES NL and the FREScos, including Uganda, Mali, Burkina Faso, and Guinea-Bissau, dedicated significant efforts to secure local and group-level funding. In parallel with maintaining current operations and serving our existing customer base amidst constrained resources, several developments have shaped our current landscape.
- In 2024, challenges were prevalent across our operations, including security issues in FRES Burkina, financial struggles in FRES Guinée-Bissau due to cash limitations, and delayed payments in FRES Mali. Despite these setbacks, key efforts to recover and stabilize cash flows were made, such as increased collections in December in Burkina Faso, and repayments to FRES NL from Mali and Guinea-Bissau.
- However, as we move into 2025, the financial realities have prompted a re-evaluation of the future of FRES NL as a group. With increasingly limited funding opportunities, the Board has prioritized securing sustainable operational models for each FRESCO while preparing for a strategic winddown of FRES NL by June 2025. The first half of 2025 will thus focus on implementing **"PLAN B"**, a scenario that emphasizes the autonomy of each FRESCO, phasing out FRES NL's support both financially and operationally.
- Our mission is now focused on enabling each FRESCO to operate independently and sustainably, ensuring a smooth transition towards self-sufficiency.

# Introduction: Strategic Overview for 2025- cont



## **Looking Ahead: The Transition to "PLAN B"**

- The decision to wind down FRES NL has shaped the strategic agenda for the year. Throughout the first half of 2025, the focus will be on preparing each FRESco for this transition.

*This will involve:*

### **Maximizing local funding efforts:**

- Intensifying efforts to secure financing solutions at the local level and exploring strategic partnerships that will allow each FRESco to operate independently.

### **Strengthening operational autonomy:**

- Ensuring that each FRESco has the infrastructure, leadership, and resources needed to function without FRES NL's support, both in terms of operations and finances.

### **Aligning financial projections:**

- Forecasting the financial performance of each FRESco for 2025 based on their own resources, ensuring that they can cover operational costs and continue serving customers and this requires them to manage a strict cashflow analysis.

# Contents

- 1. Main objectives for 2025**
2. FRESCO highlights, outlook and dashboards
3. FRESnl budget and consolidated budget

# Intensify fundraising and farming key donors

In 2024, we focused on establishing strong relationships with primary and potential funders, identifying funding programs to support FRES's engine room, defining our funding needs, and developing essential funding tools, including our storyline, pitch decks, and funding proposals. Our fundraising strategy relied on cultivating the opportunities and relationships built since the initiation of our fundraising activities in 2022. Notably, many funders launched new programs in 2024 or began developing new initiatives; thanks to the relationships we've nurtured over the past year, FRES was able to participate in the design of these programs to better align with our funding requirements. This proactive engagement also allowed us to be informed about new funding possibilities ahead of their launch, enabling timely responses to these opportunities. However, 2024 highlighted that the period between the development of new programs and their actual launch can be lengthy, made more challenging by a difficult political landscape in the Sahel, necessitating an increase in our lobbying efforts. Looking ahead to 2025, we will continue to pursue identified opportunities and actively engage in lobbying efforts.

### 1. Strengthening Local Fundraising Practices:

- Our initiatives to enhance local fundraising practices began in 2022, and as of now, all FRES locations have established their fundraising strategies. In Uganda, Mali, and Burkina Faso, dedicated outreach officers work alongside the General Manager (GM) and the Netherlands team to support these fundraising efforts. Burkina Faso has recently closed its satellite office in Ouagadougou, relocating activities to Bobo Dioulasso and appointing a new individual for outreach. While Guinea-Bissau has been unable to hire an outreach officer due to financial constraints, it has successfully intensified its fundraising initiatives under the leadership of the GM. Our objectives for 2025 include: (1) strengthening relationships with key donors and engaging in identified donor programs; (2) expanding outreach to potential donors in Mali, Burkina Faso, and Guinea-Bissau; (3) enhancing fundraising practices in Guinea-Bissau; and (4) providing the necessary support to promote greater autonomy for local offices, enabling them to develop and implement their fundraising strategies more independently and sustainably.

### 2. Identify Funding Opportunities for FRESnl:

- Despite intensified efforts to secure funding for the central engine, the 2024 results revealed that while funding is available at the country level, resources specifically for the NL office remain unavailable. Additionally, accessing local funding opportunities for the NL office has proven nearly impossible. Consequently, the primary focus for 2025 will be on identifying funding for the FRES companies. We will continue to explore all options for the NL office but recognize that it will not be a priority.

# Intensify fundraising and farming key donors

- **Identify funding opportunities for FREScoS:**

The 2024 funding activities have resulted in a rich landscape of local funding potential:

- In 2024 FRES Uganda was successfully signed the EEP contract and secured RBF financing through ENDEV/GIZ. We have identified additional opportunities provided by UECCC, Mastercard Foundation, SNV and Nithio (debt financing).
- FRES Mali was successful in getting a contract awarded by RVO in 2022 a 4-year contract for which additional funding is required. FRES Mali also succeeded in getting preselected for CEI funding in 2023. In dec 2024 CEI shared that they were successful in their fundraising for this RBF, which means that funding has become available. For 2025 we hope to lock in the CEI and hope to lock in opportunities with USAID/Power Africa ,Engie Energy access and BIO (debt financing)
- FRES Guiné-Bissau submitted a project with ECOWAS/IMVF in Q4 2024, for which we expect approval and signing in 2025. For 2025 we also hope to lock in opportunities with USAID/Power Africa. When possible, we also hope to explore funders in Dakar, since we learned that most funders for Guinea-Bissau are based in Senegal. Due to time constraints, we did not manage to do this in 2024.
- FRES Burkina Faso succeeded in getting selected for AECF unfortunately the modalities of the fund changed after approval, and the fund is no longer in line with our business model. Negotiation have started to in 2024 to see what is possible in 2025. Other possible funding opportunities for exploration for 2025 have been identified with USAID/Power Africa ,Engie Energy access, PREO, UNDP and the Austrian development Agency.

**The Power Africa program is currently on hold due to the suspension of USAID as of January 2025, pending further notice from the new U.S. government.**

# Intensify fundraising and farming key donors

## 4. Investment readiness & Strategic outlook FRESCos:

- To improve FRESco fundraising and leverage the opportunities mentioned, the companies need to develop a strategic outlook for 2025. This outlook will include (1) a definition of the funding needs for 2025; (2) loan scenarios for mainly Mali and Uganda; (3) identification of potential zones for densification/and or expansion and; (4) general country proposals per FRESco. A first version of the outlook must be ready by end-February 2025.
- Further all FRESCos will push to finalize their data rooms in Q1 (Mali and Uganda, Burkina Faso) and Q2 (Guinea-Bissau)

## 5. 'farming' & 'harvest' identified opportunities :

- Building on our meetings in 2024, we will continue to identify potential donors and compile a list of key organizations to enhance our engagement efforts, However, insights gained from our 2024 initiatives have clarified which donors merit our focused attention 2025. For the first two quarters of the year, our efforts in Mali, Burkina Faso, and Uganda will concentrate on leveraging the opportunities we have identified. In Guinea-Bissau, due to a limited number of opportunities in 2024, we need to intensify our search for potential donors starting from Q1 of 2025.

# Contents

1. Main objectives for 2025
- 2. FRESco highlights, outlook and dashboards**
3. FRESnl budget and consolidated budget



# Introduction to FRESco highlights, and Strategic Focus for 2025

This section provides an in-depth analysis of the status of each FRESco, highlighting key operational, financial, and strategic elements, as well as the outlook for 2025. With a clear focus on **PLAN B**—ensuring each FRESco is prepared to stand alone—our collective efforts will concentrate on achieving financial sustainability and operational autonomy.

## **FRES Burkina:**

FRES Burkina continues to face ongoing security challenges, which affected the ability to access approximately 472 customers by the end of 2024, translating to a loss of roughly €5k in monthly income. Despite these difficulties, December 2024 collections showed positive signs, with €133 customers successfully paying. However, with approximately €60k in collections outstanding for 2024, maintaining financial stability remains a key concern. Moving forward, FRES Burkina must prioritize a strategy for enhancing customer reach and payment reliability while preparing for greater independence from FRES NL.

## **FRES Guiné-Bissau:**

Guinea-Bissau's operations faced substantial hurdles in 2024, notably due to limited financial capacity to cover replacement costs, resulting in a significant loss of customers and revenue. Despite these challenges, Guinea-Bissau remains well-positioned for growth given its limited competition. The primary focus for 2025 will be ensuring operational sustainability through streamlined processes and the development of more reliable funding sources to secure the continuity of services.

## **FRES Mali:**

Mali encountered delayed payments from administrative customers throughout 2024, with a significant €180k still outstanding by the end of the year. Despite these delays, repayments from Mali totaling €93k to FRES NL were received. Moving into 2025, Mali will continue to focus on securing timely payments from its customer base, improving its cash flow, and preparing for an eventual shift to financial independence from FRES NL.

## **FRES Uganda:**

In Uganda, operational costs were affected by an unexpected €60k tax penalty in addition to regular expenses. FRES Uganda also benefited from significant external investments, €67k from the EEP for asset procurement, an ongoing project. However, the overall financial health remains fragile due to the uncertainty of how the tax matter will conclude, the mediation is set to conclude by Q1 2025. In the interim FRES Uganda will need to focus on increasing payment collections and minimizing operating costs. As part of the transition to self-sufficiency, Uganda's role in 2025 will be pivotal in establishing an independent operational model, ensuring the long-term sustainability of the business without further reliance on FRES NL.

# 2025 Funding objectives



**Strengthen local fundraising practices → Build “autonomy”**



**Harvest identified opportunities**



**Investment readiness & Strategic outlook FREScoS**



**Identify key donors for ‘farming’ mainly for GB**



**Grow online presence with 50%**

# Strategic highlights FRES Mali (Yeelen Kura)



## Mobile Payments

- The mobile phone sales platform is in its final development phase, with full implementation expected in Q1 2025. This will enable Mini-Grid customers to conveniently purchase credit via their mobile phones, improving accessibility and payment efficiency.
- Completion of 1,711 PayGO switches by December 2024 (38% of the target). Efforts to expand installations continue. Current target is to install a min. of 12 switches per week per center.

## Mini-Grid Advancements

- By 24 November 2024, all active prepayment meters were successfully upgraded to the new international STS Edition 2 standard, ensuring compliance and improved operational efficiency.
- Additionally, battery replacements in three villages have significantly reduced reliance on diesel, contributing to cost savings and sustainability.

## Funding & Financial Strategy

- A comprehensive financial model has been developed to enhance competitiveness in donor-funded tenders. Efforts to secure additional funding remain a top priority, as continued financial support is essential for expanding and sustaining FRES Mali's operations

## Projects

- .By end 2024, RVO project connected 764 homes, achieving 38% of the 2026 target of 2,000 connections.

# Strategic outlook for FRES Mali (Yeelen Kura)

## **Customer development and revenue by 2030**

- Reach the 15,000-subscriber mark (MG 8,000 and SHS 7,000) to densify existing localities.
- Explore localities in other regions with high economic potential.
- To buy back when profitable localities electrified by AMADER whose operators have ceased operation.

## **Customer development and revenue by 2030**

- Develop offers and find financial partners to electrify community structures (health, school, town hall) in municipalities that are not electrified today.
- Develop a better Nano system to serve a group of users without deploying large MG.
- Offers of large systems integrating refrigeration for productive and large families.

## **Ensuring Cash security by 2026**

- All payments from Subscribers (MG and SHS) are made via Orange money to reduce the risk of fraud to zero.

## **Management System**

- Implementation of an extended management system from headquarters to the centers in order to reduce the time of processing reports and have a real-time monitoring of the centers' activities.

# Strategic highlights FRES Burkina Faso (Yeelen Ba)



## **Strengthening the Capacities of SMEs on the Kouakouale Platform Network**

- After the launch of the Kouakoualé platform, challenges emerged among SMEs connected to the network and within the women's cooperative. These difficulties hindered the development of SMEs and the payment of bills at YEELLEN BA.
- As a result, a capacity-building initiative for SMEs was introduced, enabling them to overcome these difficulties, achieve full growth, and better manage the energy produced by the platform.

## **Scaling Up Large-Scale Installations**

- 2024 was the year of large-scale system expansion. Agents, customers, and the population became familiar with high-capacity systems. With these larger systems, FRES YEELLEN BA gained greater recognition.
- We contribute to the creation of income-generating activities, adding value to employment generation among young people in rural areas.
- Two major examples include:
  - Madame TRAORE Chata's fishery (solar field of 8,250 Wc): operates with six freezers and employs four young women full-time for fish sales.
  - The Zegnedougou bar-dancing venue in the Leraba province (solar field of 5,500 Wc): powers the entire bar (lighting, sound system, and two freezers) and employs over ten people.

## **Adapting Low-Capacity Batteries for S1 Service and Constructing a Storage Facility at Headquarters**

- In June, FRES YEELLEN BA received a container of batteries. We adapted lower-capacity batteries with those of S2, which helped distinguish the differences between S1 and S2. From a marketing perspective, this differentiation facilitated sales at the S2 level.
- Despite financial austerity, FRES YEELLEN BA successfully built a storage facility at its new headquarters in BOBO.
- Seeking Additional Funding
- We aim to secure additional funding opportunities to extend the grid and serve more entrepreneurs and households, leveraging the proven success of our existing projects.



# Strategic outlook for FRES Burkina Faso (Yeelen Ba)

## Customers

- The challenge for 2025 is to increase the number of FRES YEELLEN BA clients after significant losses due to insecurity and an unfavorable political climate for subsidies.
- Implement 20 new large-scale systems in 2025. With the 31 already in place, these will form a strong client base for FRES YEELLEN BA.
- Commission the Kouakouale platform (agricultural machines) in 2025.

## Revenue

- Install 1,027 PayGO switches in households to improve collection rates.
- Fully adopt mobile payments to maximize revenue collection.
- Improve revenue by enhancing customer base quality.
- Continued headquarters support for agencies will strengthen the collection of unpaid bills from former clients.

## Costs and Investments

- In 2025, FRES YEELLEN BA will work to reduce operational costs to ensure they do not exceed 80% of revenue.
- Investments will be minimized and aligned with available resources.

## Recruitment of a Technical Manager:

- Following the departure of the Technical Coordinator, FRES YEELLEN BA will hire a new Technical Manager in January 2025.

# Strategic highlights FRES Guiné-Bissau



## Financial & Operational Advancements

- Achieved an improved revenue collection as compared to 2023.
- Successfully completed the PayGO, asset, and debt databases.
- Registered all customers in the accounting system. as per the request of the auditors.

## Infrastructure & Technical Enhancements

- Installed 1,100 switches and produced 350 metal boxes.
- Procured batteries and acid for the Contuboel power plant with the assistance of funding from FRES NL. Installation of Batteries expected by Q1 2025.

## Strategic Partnerships & Investments

- Established a partnership with IMVF and currently in the application process for a joint project funding from ECOWAS.
- Invested in eight motorcycles to enhance field operations, also with the financial assistance from FRES NL.

## Visibility & Stakeholder Engagement

- Strengthened visibility and collaboration with local, national, and international partners.

## Clients

- Implement effective strategies to increase customer retention and reduce churn rates, ensuring customer satisfaction and loyalty.
- Develop and activate regular billing campaigns to improve cash flow, ensuring the settlement of outstanding debts.
- Establish a strict system to ensure that active customers make monthly payments punctually and efficiently.
- Develop survival strategies in response to the OMVG project.
- Improve the quality of service provided to customers.
- Create strategic measures and actions to ensure the Contuboel power plant operates at full capacity.

## Improvement in Visibility and Partnerships

- Strengthen collaboration with national authorities, financial partners, and development organizations to increase FRES's visibility and enhance.

## Operational Performance

- Adopt effective practices to minimize operational costs and continuously develop team competencies.
- Training programs.
- strategic partnerships.

# Strategic highlights FRES Uganda

## **Strong EBITDA Growth**

FUG demonstrated significant financial improvement, more than doubling its EBITDA year-on-year: This growth reflects enhanced operational efficiency, cost controls, and revenue optimization.

## **Fleet Improvement**

Leveraging the increased savings from EBITDA performance, FUG invested in the purchase of 2 new pickup vehicles to replace aging fleet units. This strategic upgrade will improve transportation efficiency, reduce maintenance costs, and enhance service delivery in the field.

## **Investment in Battery Replacement**

FUG successfully purchased 504 new batteries for system replacements using internally generated funds. This ensures improved service reliability and enhanced customer satisfaction.

## **Implementation of Mini-Grid Sites**

In partnership with AVSI and Vittoria Tec, and with funding support from the Energy and Environment Partnership (EEP), FUG is constructing 3 scalable battery mini-grid sites.

This marks a major milestone as the first mini-grid projects implemented by FUG, strengthening its position in scalable energy solutions and expanding access to clean energy for underserved communities.

# Strategic outlook for FRES Uganda

To achieve the assumptions outlined for FRES Uganda's operations in 2025, strategies below will be employed

## Revenue Growth & Service Fee Increase

Upgrading existing solar systems and encouraging customers to opt for higher service levels. This can be done by:

- **Customer Education:** Increase awareness about the benefits of upgrading systems and service levels, highlighting energy efficiency, reliability, and long-term savings.
- **Targeted Promotions:** Run targeted marketing campaigns to attract customers for higher service levels, particularly emphasizing the value and reliability of the upgraded systems.

## Payment Rate Improvement

To improve the payment rate by 3% points over the year:

- **Innovex switches** - The installation of remotely monitored PayGo switches will significantly enhance operational efficiency by eliminating system tampering.
- **Strengthen Customer Support:** Establish a dedicated support team to handle payment issues, addressing complaints and offering solutions that result to late payments and debt accumulation.
- **Incentives for Timely Payments:** Introduce reward schemes such as discounts or preferential services for customers who pay on time.
- **Flexible Payment Options:** Offer flexible payment plans to accommodate customers' varying financial circumstances especially schools
- **Improved Payment Reminders:** Utilize digital channels (SMS, email) and field agents to remind customers about due payments well in advance. Personalized messages could improve response rates.



# Strategic outlook for FRES Uganda



## Client Base Management & Growth

Achieve a net growth of 228 customers while ensuring the stability of the existing base:

- **Customer Engagement Programs:** Implement proactive customer engagement programs that focus on customer education, loyalty, and referrals.

## Sustainability

Foster both short-term and long-term sustainability by revising fees for the following service levels:

- **S5 - Develop a competitive service level within our product range:** Currently, S5 is dormant, placing the entire sales focus on S4.1. Revise fees from 99,000 to 75,000/=. This was discussed in 2022, but we did not implement. We also need to implement a reduced fees structure for S8 & S12, this will encourage more sales and thus revenues.
- **Strengthening Client Base:** Focus on customer retention and ensure that installations are done with the appropriate system size to avoid default due to inadequate energy supply.
- **Operational Efficiency:** Invest in technological tools to enhance operational processes. FUG will pilot Innovex remote-monitored switches as part of this initiative.

## Field Staff Bonus

- Introduce a performance-based bonus system for field staff to incentivize higher productivity and encourage healthy competition.

## Battery Management:

- FUG Transitioned from Hoppecke to Ritar batteries due to cost considerations, although Ritar's performance remains a concern. An extensive review will be done in Q1 2025 on the way forward.
- A first trial of the lithium batteries was done in Q4 of 2024, and this might prove to be a preferred option. A submission for consideration will be made after the full testing of the recently procured lithium batteries.

# Contents

1. Main objectives for 2025
2. FRESco highlights, outlook and dashboards
- 3. FRESnl budget and consolidated budget**

# FRES NL Budget Overview for 2025

- As FRES NL transitions into the first half of 2025 under **PLAN B**, the financial strategy reflects a deliberate shift towards winding down operations while ensuring the subsidiaries are positioned for autonomy. Given the financial constraints and the Board's recommendation to preserve funds for an orderly closure, the 2025 budget and cash flow projections cover only the period up to June 2025.
- FRES NL entered 2024 with an **opening balance of €1.2 million**. Throughout the year, substantial financial commitments were made to support both operational expenses and critical investments across the FREScos. By the end of 2024, the remaining balance stood at approximately **€430k**, after accounting for both normal FRES NL costs and direct financial assistance to the subsidiaries.
- These expenditures, alongside regular operational costs, have led to a cash position that is insufficient to sustain FRES NL for a full year in 2025.
- Given the Board's directive to ensure a structured **wind-down by End 2025**, financial projections have been adjusted to align with this timeline. The goal is to **preserve adequate funds for an organized exit** while minimizing financial risks.
- By maintaining a final reserve, FRES NL ensures that all essential processes, including legal and financial obligations, are met while safeguarding against unforeseen costs in the final phase of operations.