Press Release

AFD, KAM Provide Green Energy Financing in East Africa

AFD’s SUNREF East Africa programme to provide technical advice to project developers and partner banks

April, 28, 2017, Nairobi. Agence Française de Développement (AFD) in partnership with Kenya Association of Manufacturers (KAM) held a high level workshop on Sustainable Use of Natural Resources and Energy Finance Programme (SUNREF) East Africa today, to discuss among other things, the opportunities and challenges of SUNREF since its inception in Kenya in 2011.

The SUNREF East Africa programme, hosted by Kenya Association of Manufacturers, promotes the development of a low carbon economy in the region by financing the renewable energy and energy efficiency solutions in the private sector.

Speaking at the event, Central Bank of Kenya Governor, Dr. Patrick Njoroge reiterated the importance of the financial sector in promoting green investments and urged Kenyan banks to play an active part in promoting the development of a green economy. “The ongoing success of AFD’s SUNREF programme should be an eye-opener for Kenyan banks to diversify into green energy financing because of the growth potential in the renewable energy and energy efficiency sectors,” said Dr. Njoroge.

Central Bank of Kenya Governor lauded AFD’s Commitment to supporting renewable energy and energy efficiency innovations.

Through the SUNREF programme, AFD works with regional partner banks in identifying green investment opportunities and allocating green loans with favourable conditions for tailor-made debt.

Mr. Bruno Deprince, AFD Regional Director, underscored the immense progress made by the SUNREF East Africa programme since its inauguration in 2011 which was key to Kenya’s transition towards a green economy. “Green growth provides the private sector with opportunities in the fields of energy management, sustainable natural resources management and environmental protection. The success so far witnessed with Kenyan projects is an indication that the country is ready for an expanded SUNREF programme for the coming years,” added Mr. Deprince.
KAM Chief Executive, Ms Phyllis Wakiaga, highlighted the importance of improving quality of renewable energy and energy efficiency technology to reduce cost of production and increase competitiveness. “We have built a project portfolio of over 250 projects in hydro, solar, biogas, biomass and energy efficiency and energy service companies (ESCOS) and financed 16 projects to the tune of USD58 million during the last few years. There are still many opportunities available to improve on the quality of renewable energy and energy efficiency technology which will ultimately reduce the cost of production and increase competitiveness,” said Ms. Wakiaga.

Partner banks from Kenya; Cooperative Bank, Diamond Trust Bank and Commercial Bank of Africa were represented

Walter Trenton, Head of European Union Delegation to Kenya underscored the importance of multilateral cooperation in the global fight against climate through renewable energy and energy efficiency like SUNREF.

The concessional loans under this programme are characterized by low interest rates, long tenor, and a long grace period. Cooperative Bank of Kenya, Diamond Trust Bank and Commercial Bank of Africa have enlisted as partner banks to the programme in Kenya, while Diamond Trust Bank (Uganda) and Bank of Africa (Tanzania) are the other partner banks in the region.

The programme has also helped the partner banks build their capacity in green energy and energy efficiency by offering occasional staff training facilitated by the technical assistance team.

SUNREF East Africa benefits from a pool of experts drawn from Kenya Association of Manufacturers and international experts who provide technical assistance to project developers and partner banks in the areas of project origination, project bankability, capacity building and awareness creation. This technical assistance is provided courtesy of the European Union.

About AFD
Agence Française de Développement (AFD), a public financial institution that implements the policy defined by the French Government, works to combat poverty and promote sustainable development. AFD operates on four continents via a network of 75 offices and finances and supports projects that improve living conditions for populations, boost economic growth and protect the planet. In 2015, AFD earmarked EUR 8.3bn to finance projects in developing countries and for overseas France.

www.afd.fr

About SUNREF East Africa
SUNREF (Sustainable Use of Natural Resources and Energy Finance) is AFD’s green finance label. In a context of energy and environmental transition, SUNREF East Africa helps private actors in East Africa seize the opportunities of this transition via an innovative approach and encourages local banks to finance it. Launched in 2011, SUNREF East Africa is developing fast with a hundred projects under study. To date, 11 SUNREF East Africa projects have been successfully implemented, in partnership with 4 local banks in some 3 countries of operation, for a signed amount of more than EUR 35 million.

https://www.sunref.org/afriquedelest/en/
About European Union
The European Union is made up of 28 Member States which have decided to gradually pool their know-how, their resources and their destiny. Together, over a period of over 50 years of enlargement, they have built an area of stability, democracy and sustainable development, while maintaining their cultural diversity, tolerance and individual freedoms. The European Union is determined to share its achievements and values with countries and peoples beyond its borders.
http://ec.europa.eu/europeaid

About the Kenyan Association of Manufacturers (KAM)
Kenya Association of Manufacturers is the representative organisation for manufacturing value-add industries in Kenya. Established in 1959 as a private sector body, KAM has evolved into a dynamic, vibrant, credible and respected business association that unites industrialists and offers a common voice for businesses.
KAM provides an essential link for co-operation, dialogue and understanding with the Government by representing the views and concerns of its members to the relevant authorities.
In pursuit of its core mandate of policy advocacy, KAM promotes trade and investment, upholds standards, encourages the formulation, enactment and administration of sound policies that facilitate a competitive business environment and reduce the cost of doing business.
http://www.kam.co.ke/