



# Towards a greener future

**SUNREF East Africa,**  
the lending programme  
that promotes green growth

A turnkey offer  
to finance green  
investments for businesses



Developed by



With the financial  
participation of



[www.sunref.org/afriquedelest/en](http://www.sunref.org/afriquedelest/en)

# SUNREF, AFD's green finance label

## SEIZING THE OPPORTUNITIES OF THE ECOLOGICAL TRANSITION

Environmental integration offers significant economic development potential. Green growth provides a number of opportunities not only to businesses but also to professionals of renewable energy and energy management, through new markets, especially in the fields of:



**Energy management**

**Sustainable natural resources management**

**Environmental protection**

In East Africa, financing this green growth is a major challenge. The Agence Française de Développement (AFD) contributes to tackling this challenge, in partnership with Kenyan, Tanzanian and Ugandan banks.

## **SUNREF:** A GREEN CREDIT LINE FOR BUSINESSES THROUGH PARTNER BANKS

In a region where access to energy is far from universal, increasing the production of green energy is a key condition to a sustainable economic growth in East Africa. In this context, SUNREF was designed to help regional businesses to seize the opportunities of the ecological transition.

This innovative programme is part of a vast initiative developed by AFD to mobilize public and private banks to finance investments on customized financial terms in the private sector that provide greater use of green technologies and sustainable energy.

The aim of SUNREF East Africa is to facilitate access to affordable sustainable energy and to allow companies to acquire higher quality equipment, make cost savings and be more competitive through better energy management and consideration of the environment.

# SUNREF EAST AFRICA: goals of the programme

## Facilitate

the access of private sector to bank financing

**Reduce** the barriers to the development and financing of renewable energy and energy efficiency projects

## Increase

competitiveness of companies, in particular SMEs

## Develop

a viable market in sustainable energy

## Improve

energy security

**Strengthen** the capacity of sustainable energy stakeholders (enterprises, business associations, sustainable energy agencies, ministries, partner banks, etc.)



SUNREF East Africa rallies all stakeholders to green finance



# **SUNREF EAST AFRICA:** energy challenges create new opportunities

SUNREF is the tailor-made solution that enables companies to acquire better quality equipment, insulate buildings, save on costs, increase competitiveness as well as develop green energy projects, or services and activities related to energy management.

In partnership with local partner banks, SUNREF East Africa offers special partnership conditions to enable them to seize the opportunities of green finance.



# What is **SUNREF** East Africa?

## **SUNREF East Africa includes a specific and innovative financial offer and technical assistance:**

● A credit line of more than €35 million, which have already been signed, is provided to partner banks in East Africa and offers financing with attractive terms

● Technical assistance for companies and banks:

● **Assistance to identify** investment opportunities in green energies

● **Assistance to companies,** developers of active projects and projects sponsors in the energy management sector for the development of eligible, innovative and profitable green projects

● **Assistance to banks** in analyzing the bankability of projects and capacity building to their staff to transfer them knowledge on this sector

● **Assistance tailored** to the size and complexity of the project:

***For small-scale projects,** a wide selection of equipment **prequalified** by the SUNREF team and available in a database («LEMES!»)*

***For larger or more complex projects,** assistance is provided at all the project stages (loan application, technical and financial assessment of the project, monitoring of implementation, and verification)*

Thanks to the European Union financial participation, the technical assistance is delivered to different stakeholders free of charge.

SUNREF East Africa operates in partnership with the Kenya Association of Manufacturers - KAM, with the support of the Confederation of Tanzania Industries - CTI - in Tanzania and Uganda Manufacturers Association - UMA - in Uganda.

# SUNREF EAST AFRICA, a driver for competitiveness

## FINANCIAL GAINS

Flexible financing : Investment reducing : Grants  
: environmental costs :  
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## IMPROVED COMPETITIVENESS

Financing efficient : Improving : Improving : Modernization  
technologies (reduced : quality : productivity : of companies  
energy costs) : of equipment :  
:

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## STRENGTHENED CORPORATE IMAGE

Increased societal : Access to new markets thanks to investments  
recognition : towards preserving the environment and sustainable  
: development  
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## COMPLIANCE WITH INTERNATIONAL ENVIRONMENTAL STANDARDS

Anticipating future regulations in energy : Opening  
efficiency and environmental protection : new international markets  
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## ATTRACTIVE LOANS, FLEXIBILITY, AND AVAILABILITY

Simple application : Information available : Fast-track approach  
procedure for credit : at partner banks : for small projects  
:

## CUSTOMIZED SUPPORT

Technical assistance and capacity building offered, from the assessment of the credit application to its implementation

Expertise to guide investment decisions

Support to develop eligible, innovative and profitable green projects

## A TAILORED APPROACH

- Financing of up to **100%** of the investment cost, with particularly attractive terms (concessional rate, long-term loans, grace period)
- Support to project developers to guide them in building their projects, select adapted technologies, anticipate the return on investment and environmental benefits

# Who can benefit from **SUNREF** East Africa?

**Any potential client** of a partner bank applying for a loan in order to finance a renewable energy or energy efficiency investment

**Any business** (or individual) entity that will directly benefit from the implementation of a renewable energy or energy efficiency project (reduction of the purchase cost of commercial energy, sale of commercial energy generated from renewable energy sources)

**Any bank** looking for portfolio diversification and capacity building for the financing of the green energy sector

# An innovative approach: building a **SUNREF** project in 9 steps

**To seize this opportunity, the project initiator benefits from tailor-made support**

SUNREF East Africa provides dedicated support to the project initiators seeking to benefit from the programme to ensure the viability of its project process, as well as its successful implementation through a network of committed partners.



Creation of an application file including selection of the equipment in the *List of Eligible Measures and Equipment Suppliers and Installers (LEMESI)*



Contact SUNREF East Africa technical experts to discuss the project, evaluate its feasibility and potential results on both technical and financial levels



Approach a SUNREF East Africa local partner bank of your choice. *The bank may confirm its interest or request additional information*



Issuance of the SUNREF *Eligibility Certificate* with a project appraisal report and submission to the bank by the SUNREF technical assistance team



Verification of solvency of the project and financing investment decision from the SUNREF partner bank



Signature of the loan agreement with the bank



Validation,  
disbursement,  
implementation  
of the project



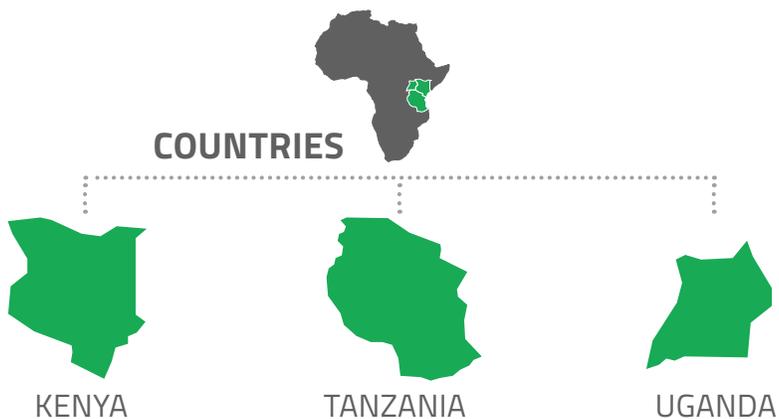
Monitoring  
and impact  
assessments  
of the project



SUNREF East Africa  
technical assistance  
continues to be available  
to support the monitoring  
of the implementation  
of project if necessary



# Key facts



## PRIORITY SECTORS



# Which projects are financed under **SUNREF** East Africa?

**All loans conditions must meet the partner bank's standard lending criteria, to be checked with the partner banks in term and creditworthiness, status and conformity with national legislation**

## Financial indicators

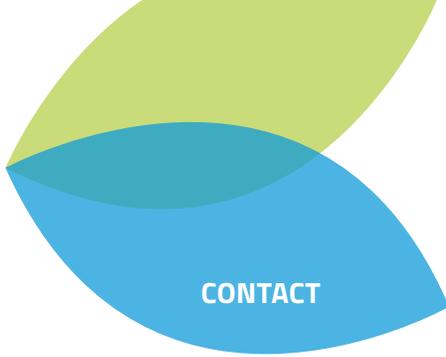
- **For energy efficiency projects:** a reduction of energy consumption of at least 15% compared to retrofitted equipment. An IRR of 8% shall be met.
- **For renewable energy projects:** investment projects using renewable energy (solar, biomass, wind, etc.) are eligible. SUNREF East Africa gives priority to supporting projects, which experience difficulties due to their size, their innovative nature, etc., despite their technical and financial viability. A minimum of 8% Project IRR shall be met.

## Types of eligible renewable energy projects

- Thermal photovoltaic solar system
- Photovoltaic Equipment
- Wind facilities
- Conversion of large quantities of waste into biomass
- Biomass combustion systems for heat and / or power generation
- Heat and / or electricity generating system by use of a biogas source
- Installation of solar water heaters
- Small-scale hydro power plants

## Types of eligible energy efficiency projects

- Replacement or upgrading of energy-intensive equipment
- On-site cogeneration of heat and electricity or tri-generation (heat, refrigeration, electricity)
- Replacement of boilers (higher quality control systems, energy saving systems, improved insulation, etc.)
- Installation of a heat recovery unit
- Thermal insulation of premises
- Upgrading of existing ventilation / air conditioning systems
- Implementation of energy management systems or building management systems
- Replacement of old coolers and compressors
- Modernization of the lighting system



## CONTACT

For more information about the loan conditions and application procedures, please reach us directly

### TECHNICAL ASSISTANCE

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### PARTNER BANKS

**CBA**  
www.cbagroup.com

**Co-operative Bank**  
www.co-opbank.co.ke

**DTB**  
www.dtbafrica.com

**BOA-Tanzania**  
www.boatanzania.com



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