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

TECHNICAL SUPPORT

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PARTNER BANK

Industrial Development Corporation (IDC)
www.idc.co.za

www.sunref.org
Towards a greener future

SUNREF South Africa, the lending programme that promotes green growth

A turnkey offer to finance green investments for businesses

Developed by

With the financial participation of

Deployed by

www.sunref.org
SEIZING THE OPPORTUNITIES OF THE ECOLOGICAL TRANSITION

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

- **Energy management**
- **Sustainable natural resources management**
- **Environmental protection**

In South Africa, financing green growth is a major challenge. The Agence Française de Développement (AFD) contributes to tackling this challenge, in partnership with a South African local bank, the Industrial Development Corporation (IDC).

SUNREF: A GREEN CREDIT LINE FOR BUSINESSES THROUGH A PARTNER BANK

Limited energy security and rising energy prices will likely continue to negatively affect the growth of South African businesses in the near future. These trends coupled with the negative environmental impact of existing inefficient energy consumption and coal-based electricity generation in the country, make green economy growth a priority in South Africa. In this context, SUNREF was designed to help regional businesses to seize opportunities in greening the South African economy.

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

The aim of SUNREF South Africa is to facilitate access to affordable sustainable energy, to allow companies to acquire higher quality equipment, to make cost savings, and to be more competitive through better energy management and improved environmental performance.
SUNREF SOUTH 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 (businesses, business associations, sustainable energy agencies, ministries, partner banks, etc.)

SUNREF South Africa rallies all stakeholders to green finance
SUNREF SOUTH AFRICA:
energy challenges for new opportunities

SUNREF is the tailor-made solution that enables companies to acquire energy efficient equipment and renewable energy technologies, thereby increasing their energy security and improving their energy management, while decreasing their operating costs and environmental footprint.

In partnership with IDC, SUNREF South Africa offers both finance and technical assistance to enable companies seize the opportunities of green growth.
What is **SUNREF** South Africa?

**SUNREF South Africa provides a specific and innovative financial and technical offer:**

- A credit line provided to a partner bank, IDC, in South Africa
- A technical assistance facility that provides:
  - **Assistance and builds**
    the technical and financial capacity of the bank to identify investment opportunities in sustainable energy and in analysing the bankability of the selected projects.
  - **Assistance to companies,**
    developers of active projects and companies in the energy management sector for the development of eligible, innovative and profitable green projects **at no cost.**
  - **Capacity building**
    services to the South African National Energy Development Institute (SANEDI) to enable the Institute to further promote a sustainable renewable energy and energy efficiency market in South Africa.

Thanks to SECO’s financial participation, the technical assistance is delivered to different stakeholders free of charge.

Besides, as a major local actor in the promotion of renewable energy and energy efficiency, SANEDI is a key partner in the implementation of the technical assistance programme.
SUNREF SOUTH AFRICA, a driver for competitiveness

FINANCIAL GAINS
Assistance in project preparation at no cost | Flexible financing | Investments that yield reduced environmental costs

IMPROVED COMPETITIVENESS
Financing efficient and renewable technologies (reduced energy costs and improved energy security) | Improved equipment quality | Improved productivity and modernization of companies

STRENGTHENED CORPORATE IMAGE
Improved social image and recognition | Access to new markets and technologies thanks to investments aimed at preserving the environment and promoting sustainable development

COMPLIANCE WITH INTERNATIONAL ENVIRONMENTAL STANDARDS
Anticipating future regulations in energy efficiency and environmental protection, including the carbon tax in South Africa | Opening new international markets

ATTRACTIVE LOANS, FLEXIBILITY, AND AVAILABILITY
Simple application procedure for credit | SUNREF is available at IDC, the partner bank in South Africa
CUSTOMIZED SUPPORT
A full scope of technical assistance offered from the credit application assessment to its disbursement and monitoring

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 flexible terms, long loan tenures and grace period
Support to project developers in project identification and conception, selection of technologies, and the calculation of financial and environmental benefits

Who can benefit from SUNREF South Africa?

Any potential client of IDC applying for a loan to finance a renewable energy or energy efficiency investment in South Africa.

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).
An innovative approach: building a SUNREF project in 8 steps

To seize this opportunity, the project sponsor benefits from a tailor-made support

SUNREF South Africa provides dedicated support to project sponsors that wish to participate in the programme. This continual support ensures the viability of its project preparation process as well as its successful implementation based on a network of committed partners. The steps include:

1. Contact SUNREF South Africa technical experts to discuss the project, evaluate its feasibility and potential technical and financial results.

2. Contact IDC, SUNREF South Africa’s local partner bank. The bank may confirm its interest or request additional information.

3. Issuance of the SUNREF Eligibility Certificate with a project appraisal report and submission to the partner bank by the SUNREF technical assistance experts.

4. Verification of the feasibility of the project and financing investment decision from the SUNREF partner bank.

5. Signature of the loan agreement with the partner bank.

6. Validation, disbursement, implementation of the project.
SUNREF South Africa technical assistance is available to support the monitoring of the implementation of project if necessary.

Monitoring and impact assessments of the project.
Key facts

COUNTRIES

SOUTH AFRICA

PRIORITY SECTORS

INDUSTRY

AGRO-PROCESSING

MANUFACTURING

WATER SECTOR

ENERGY SECTOR

SERVICES

TOURISM & HOSPITALITY

PUBLIC TRANSPORT

CLOTHING & TEXTILE
Which types of projects are financed under **SUNREF South Africa**?

All SUNREF loan conditions must first meet IDC’s standard lending criteria. These must be checked with IDC in term of creditworthiness, status and conformity with national legislation.

**Financial indicators**
- **Individual investment amount**: Max. USD 16,653,000
- **Currency**: South African Rand or USD/EUR
- **Maturity of the loans**: Minimal 3 years
- **Interest rate cap (ceiling)**: Prime + 2.8%

**Technical eligibility criteria**

**Energy efficiency projects**
- Retrofitting of existing installations with a maximum payback time of 8 years
- Modification of processes with production capacity expansion of maximum 200% with a maximum payback time of 8 years
- Cogeneration projects may be eligible provided the plant does not burn coal
- On a case by case basis: storage of energy, demand side management projects, greenfield projects

**Renewable Energy Projects**
- Solar energy projects
- Energy from biomass including biogas, provided that the biomass resource is not originated by deforestation
- On case by case basis: hydro, wind, ocean energy, biofuel
- Fuel switch projects may be eligible in case of development of a cleaner energy (for instance, shift from heavy fuel oil to natural gas)