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SNV AND SUNFUNDER PARTNER TO MANAGE NEW US\$ 48M RBF AND DEBT FACILITIES FOR SOLAR AND COOK STOVES ON BEHALF OF KENYA GOVERNMENT

NAIROBI, LONDON, THE HAGUE - SNV Netherlands Development Organization has partnered with SunFunder Inc to manage three new Facilities for solar and clean cook stoves, totaling US\$ 47m. The Facilities are funded by Kenya's Ministry of Energy as part of the Kenya Off-Grid Solar Access Project (KOSAP), with financing support by the World Bank.

The Facilities comprise the Solar Results-based Financing (RBF) Facility (US\$12m), the Solar Debt Facility (US\$ 30m) and the Clean Cooking Solutions Challenge RBF Facility (US\$ 5m). SNV is responsible for the overall KOSAP Facilities, as well as management of the Solar and Clean Cook stoves RBF Facilities, while SunFunder is managing the Solar Debt Facility.

KOSAP seeks to increase access to modern and clean energy in Kenya, with a focus on 14 target counties, being Garissa, Isiolo, Kilifi, Kwale, Lamu, Mandera, Marsabit, Narok, Samburu, Taita Taveta, Tana River, Turkana, Wajir and West Pokot. The Facilities are available to companies that distribute off-grid solar systems to households, enterprises and communities in these 14 counties. Because of their remote locations and low-population density, these areas still lack access to infrastructure such as electricity, water and roads. The World Bank estimates that 1.2m households are unelectrified in the target counties and the Ministry of Energy, through KOSAP, intends to change that. Through its implementing partners SNV and SunFunder, KOSAP aims to finance the deployment of solar home systems to 250,000 of these households, and clean cook stoves to 150,000 households, thereby improving energy access for over a million people.

"SunFunder's experience and Nairobi-based team positions it to successfully work with companies delivering off-grid solar energy to underserved households," commented Audrey Desiderato, SunFunder co-founder and COO. "We are honored for our SNV-SunFunder team to have been selected by MOE, through a competitive process, to support Kenya's drive for universal access to energy."

The KOSAP RBF funds offer both market entry facilitation funds and results-based incentives up to 2023, while the debt fund offers 6 to 12-month inventory loans and 1 to 3-year receivables financing. Companies can find eligibility criteria and learn about the application process through the KOSAP website: www.kosap-fm.org or write to enquiries@kosap-fm.org.

"We are thrilled to be partnering with SunFunder to offer a complete financing package for off-grid solar in Kenya," said Martijn Veen, Global Energy Coordinator for SNV. "The combination of financial instruments can make a dramatic imprint on delivering energy access in new regions."

The partnership between SunFunder and SNV will create a synergistic relationship that uses the expertise of both entities to achieve KOSAP's objectives. SNV offers specialized value through its long-term presence in Kenya and technical expertise in the off-grid solar and clean cook stove sectors. SNV's approach focuses on implementing development projects through local capacity builders and ensuring long-term sustainability by stimulating local economic development. SunFunder brings experience in structuring capacity and an extensive track record of providing solar companies with debt financing solutions across Sub-Saharan Africa. As a relationship-oriented business, SunFunder's team of finance experts value partnerships that can enhance the reach and impact of off-grid solar financing. Together, SNV and SunFunder will collaborate to administer KOSAP's financing Facilities to increase access to modern energy services in Kenya.

The Facilities being managed by SNV and SunFunder, on behalf of the Ministry of Energy (as the Implementing Agency), complement other KOSAP components being implemented by Kenya Power & Lighting Company (KPLC) and the Rural Electrification & Renewable Energy Corporation - REREC (formerly Rural Electrification Authority). It is a flagship project of the Ministry of Energy financed by the World Bank and implemented through innovative public-private partnerships. KOSAP aims to provide electricity to parts of the country that are not served by the national grid. While national electrification has risen from 23% in 2009, to 75% in 2018, much of these connections have been achieved along the central corridor of the country Mombasa-Nairobi-Lake Victoria, leaving North East and Northern Kenya largely un-electrified. KOSAP seeks to bridge this gap and targets to provide 1.3 Million people in the large swathes of the North East and Northern Kenya with electricity. The project is therefore a critical plank of the National Electrification Strategy that will ensure universal access to electricity by 2022 and a key aspect of the Vision 2030, the country's long-term development plan.

The MOE holds overall responsibility for KOSAP as the host ministry, while KPLC and REREC are the Implementing Agencies, respectively, for the \$40m component for mini-grids for community Facilities, enterprises and households, and the \$40m component for stand-alone solar systems and solar water pumps for community Facilities. A forth over-arching component has a fund of \$22m for implementation support and capacity building.

ABOUT SNV

SNV is a not-for-profit international development organization. Founded in the Netherlands in 1965, SNV has built a long-term, local presence in over 30 countries in Asia, Africa and Latin America. SNV's global team of local and international advisors work with local partners to equip communities, businesses and organizations with the tools, knowledge and connections they need to increase their incomes and gain access to basic services – empowering them to break the cycle of poverty and guide their own development. SNV is dedicated to a society where all people enjoy the freedom to pursue their own sustainable development. The organization contributes to this by strengthening the capacity of local organizations. In 2016, SNV implemented over 300 projects in more than 30 countries across Africa, Asia, and Latin America. SNV started operations in Kenya in 1967 and has over time accumulated diverse and deep knowledge, experience, relationships and networks in Kenya's energy, agriculture, water and sanitation sectors.

ABOUT SUNFUNDER

Since 2012, SunFunder has provided over \$72m debt financing to 46 solar borrowers in Africa and Asia, directly improving energy access for over 5m people and mitigating more than 450k tons of CO2 emissions annually. SunFunder raises capital through private debt offerings, and reached first close on its new \$85m Solar Energy Transformation (SET) Fund in February 2019. The company exists to solve the financing bottleneck for off-grid and weak-grid solar, providing working capital loans, receivables financing and project financing to manufacturers, distributors, developers, installers and retailers that provide solar energy in countries such as Tanzania, Kenya, Uganda, Rwanda and Ghana.

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