

Universal Green Energy Access Programme | UGEAP

The Universal Green Energy Access Programme (UGEAP) is a private debt investment fund, dedicated to promoting renewable energy in Nigeria, Benin, Namibia, Tanzania, Uganda, Ethiopia, and Kenya. UGEAP supports, through and alongside financial institutions, local businesses with short-, medium- and long-term loans to finance equipment which produces - with proven technology - electrical energy from renewable sources (PV, wind, small hydroelectrical installations).

Investment Focus

Investing in renewable energy solutions in Africa:

- Off-grid generation
- Mini-grid generation and distribution
- Commercial & industrial uses and selected on-grid installations

Impact Strategy

The fund is geared towards two Sustainable Development Goals (SDGs) in alignment with the Paris Agreement on Climate Change:

- Access to Affordable and Clean Energy (SDG 7)
- Climate Action (SDG 13)

Offering to Financial Institutions

Instrument	Senior debt / tier 2 capital / co-financing / risk participation.
Transaction size	USD 5-30m.
Tenor	Up to 10 years (average 5 years).
Interest rate	Market-based (rate reduction possible subject to achieving pre-agreed milestones).
Limit	Loan should not exceed 10% of total assets and 20% of total capital.
Impact undertaking	Within two years, increase the volume of eligible client exposure to the equivalent of the investment. Energy production measurement needs to be in place.

Offering to Corporates

Instrument	Senior debt / mezzanine.
Transaction size	USD 5-30m (lesser amounts are also possible if there is clear visibility that the company will grow and require further debt in the next 1-2 years (min. USD 3m).
Tenor	Up to 10 years (average 5 years).
Interest rate	Market-based.
Structures	Structures can be corporate, receivables, or project finance type loans.
Use of proceeds	Electrical energy production from renewable sources.

Technical Assistance

UGEAP has a complementary Technical Assistance Facility that seeks to support both potential and/or existing investees on a grant basis. It addresses various capacity issues such as governance, risk assessment, reporting and business systems to hence enable sustainable business development and deliver on its impact objective.

Social and Environmental Outcomes

The fund seeks to provide measurable development impact to the rural and urban population of SSA, by:

- Contributing to climate change mitigation and socio-economic co-benefits through investments in low-emission energy access and power generation replacing conventional energy resources such as kerosene.

Impact dimensions include:

- Absolute amount of kWh produced from renewable sources to be reported on a quarterly basis.
- Equivalent CO₂e emission reductions calculated using pre-agreed emission factors and assumptions linked to utilization rates of equipment.
- Social dimensions such as (in)direct jobs created, and gender-related aspects such as number of women with first-time access to electrical energy granted.

Investee companies and banks must undergo a mandatory social and environmental (S&E) risk assessment prior to investment and report on S&E compliance during investment lifetime. The fund's S&E policy is guided by the IFC Performance Standards and the Green Climate Fund Environmental and Social Standards.