



**SEED CAPITAL
ASSISTANCE
FACILITY**

PROJECT AT-A-GLANCE

The Seed Capital Assistance Facility (SCAF) is a multi-donor trust fund managed by UN Environment Programme and backed by the German Federal Ministry for Economic Affairs and Climate Action (BMWK) together with United Kingdom's Foreign, Commonwealth & Development Office. It makes finance available during the development phase of projects being carried out in developing countries and emerging economies that are aimed at promoting the use of climate-friendly technologies (e.g. renewable energies, energy efficiency).

GEOGRAPHICAL SCOPE

SUB-SAHARA AFRICA,
ASIA

Countries where clean energy projects received direct support



Kenya, Namibia,
Nigeria, South Africa,
Rwanda, Tanzania,
Uganda, Zambia,
Zimbabwe, Burkina
Faso, Malawi



Cambodia, India,
Indonesia, the
Philippines, Vietnam

STATUS **ACTIVE**

STARTING DATE **2009**
CLOSING DATE **2026**

IMPLEMENTING PARTNER

Frankfurt School-UNEP Collaborating Centre

DONORS

Phase 1: Global Environment Facility, United Nations Foundation
Phase 2: United Kingdom's Foreign, Commonwealth & Development Office (FCDO) and German Federal Ministry for Economic Affairs and Climate Action (BMWK)

TEAM LEADER

Françoise d'Estais

PARTNERS

17 commercial clean energy fund management structures in Asia and Africa:

DI Frontier Investment Management, Inspired Evolution Investment Management, Armstrong Asset Management, Infuse Capital, Berkeley Energy, Lereko Metier, Aloe Private Equity, Asia Climate Partners, The Blue Circle, JCM Clean Power Development Fund, Zoscales Partners, Sindicatum Renewable Energy, GreenWish Partners, Sangam VC, Gree New Energy, Levanta Renewables, Kairos Renewables, NewAfrica Clean Energy Fund, Africa REN, Windlab Africa, Candi, SOLA group, VS Hydro

TOTAL PROJECT COST



\$ 40 million
(two phases)

KEY ACHIEVEMENTS TO DATE SCAF I



132
projects received Support Line 1 assistance



31
projects received financial support to the development



\$ 16.3 million
of seed financing committed to 31 projects



14
projects reached operation or construction stage by December 2017



\$ 1.05 billion
catalysed of investment (construction costs) received by the first three fully financed and developed projects

KEY ACHIEVEMENTS TO DATE SCAF II



56
projects indirectly supported



28
projects directly supported



1,616 MW
total planned capacity through those 28 projects



13,683
jobs created during the construction phase



3.979 Mt
of avoided CO₂ emission per year



\$ 2.596 billion
catalysed of investment (construction costs)



THE CHALLENGE

Public and private finance is available for those renewable energy projects of a certain size that have reached commercial finance-ready stage. According to many financial institutions, funding is available but bankable projects are lacking. At the same time many low-income countries are brimming with renewable energy project ideas born by local clean energy pioneers. But it is the initial stage where it is hardest for them to find financing to transform ideas into “bankable” projects, even though start-up capital is only a crumb of the total project cost. Private investors shy away, because the risks are steep. To make matters more difficult, some countries have little track record of launching clean energy projects.

WHAT WE DO

The Seed Capital Assistance Facility shares project development costs and seed financing with selected private equity funds, venture capital funds, and project development companies, in order to bring low-carbon projects to their commercial finance closure in frontier markets, where renewable energy.

To enhance the number of investment actors in the clean energy early stage investment space, the Facility also shares fund set-up costs incurred by first time fund managers in the final stages prior to fund first close.



UN Environment Programme's



UN Environment Programme designed, and raised funding for both phases of the project.

SCAF is one of the few facilities supporting the early stage development of renewable energy projects in Africa and Asia. A distinctive feature of SCAF is its intervention through private investment structures, leveraging those structures' expertise in project selection and development, and ensuring SCAF support goes to projects which will benefit from follow-on investment.

SCAF is also distinct from other facilities in that (i) it is not an investment structure and does not seek financial return. It only seeks repayment of grant when project reaches financial close or fund reaches first close, to allow additional support to new partners; and that (ii) it is providing support at the very early and risky stage, when partner investment structures provide equity.

SCAF benefits from in-kind support of industry experts from financial institutions (AfDB, BII, DEG, EIB, FMO, IFC) which sit on Recommendation Committee and advise on SCAF partner selection. They are keen to stay informed on the development of that market segment which does not constitute an investment opportunity for them due to its risk/return profile and the associated heavy transaction costs.

