

 Early Warning System

FMO-62574

Afrigreen Debt Impact Fund SLP



Quick Facts

Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	A
Voting Date	2024-04-04
Borrower	Afrigreen Debt Impact Fund SLP (RGreen Invest SAS)
Sectors	Energy, Finance
Investment Type(s)	Loan
Investment Amount (USD)	\$ 10.84 million
Loan Amount (USD)	\$ 10.84 million



Project Description

As stated on the project disclosure page, FMO's investment in the Fund is expected to be up to EUR 10 million. Afrigreen will provide medium to long-term financing to promote climate mitigation and GHG reduction investments, mainly focusing on companies (developers) offering energy solutions for the Commercial & Industrial sector. Financing will target projects in Africa, focusing in Central and Western Africa.

Afrigreen will answer to the urgent need to scale up clean energy solutions in Central and West Africa, where there is scarce network capacity to accommodate the needed capacity to fulfill the growing demand for electricity. Debt financing for small to medium scale (decentralized) energy projects in Africa is considered particularly scarce. The Fund intends to have substantial impact by targeting an underserved market and would provide a mix of structured debt solutions targeting different technologies to help support swift deployment of renewable projects. FMO's role as investor in the second closing for the Fund will contribute to the Fund reaching its target size and deployment timeline.

Afrigreen will mostly focus on rooftop C&I, small scale ground-mounted solar, storage and potentially biomass.



Early Warning System Project Analysis

As stated by the FMO, Afrigreen has been classified as Cat A, expected to be downgraded to Cat B+ in the near future when the use of B+ categorization is official for Funds. Risk exposure of Afrigreen is medium to high, mainly given contextual risks.



Investment Description

- Netherlands Development Finance Company (FMO)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [Echosys Advisory SAS](#) (Financial Intermediary) **contracts with** [RGreen Invest SAS](#) (Financial Intermediary)



Private Actors Description

As stated by the FMO, the Afrigreen Debt Impact Fund SLP is a senior debt, closed-end debt fund to be managed by RGreen Invest SAS, an asset manager specializing in energy transition, climate change mitigation and adaptation. RGreen will be advised by Echosys Invest SAS, a joint venture between RGreen and Echosys Advisory.



Contact Information

Financial Intermediary - RGreen Invest SAS:

Website: <https://www.rgreeninvest.com/>

ACCESS TO INFORMATION

As part of FMO's ex-ante disclosure (disclosure of transactions before contracting), you can send requests or questions for additional information to: disclosure@fmo.nl

ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW). A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: <https://www.fmo.nl/independent-complaints-mechanism>



Media

- [Rensource announces a \\$15m deal with AFRIGREEN Debt Impact Fund SLP](#)