ECOWAS Solar Initiative for West Africa

Overview of IFC innovative financing solutions

Dakar
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IFC is a Member of the World Bank Group

IBRD
International Bank for Reconstruction and Development
Est. 1945
Role: To promote institutional, legal and regulatory reform
Clients: Governments of member countries with per capita income between $1,025 and $6,055.
Products: - Technical assistance

IDA
International Development Association
Est. 1960
Role: To promote institutional, legal and regulatory reform
Clients: Governments of poorest countries with per capita income of less than $1,025
Products: - Technical assistance
- Interest Free Loans
- Policy Advice

IFC
International Finance Corporation
Est. 1956
Role: To promote private sector development
Clients: Private companies in 182 member countries
Products: - Equity/Quasi-Equity
- Long-term Loans
- Risk Management
- Advisory Services

MIGA
Multilateral Investment and Guarantee Agency
Est. 1988
Role: To reduce political investment risk
Clients: Foreign investors in member countries
Products: - Political Risk Insurance

Shared Mission: To Promote Economic Development and Reduce Poverty
IFC’s Solar Strategy

- Promote development of solar industry in emerging markets, help reduce costs, and allow the industry to become competitive

- IFC investments will help scale-up the supply chain to drive down the cost of solar PV energy to reach “grid-parity”

- Support use of solar energy in various applications like Solar Water Heaters, Solar drying, PV and CSP

- Investing across the solar supply chain in:
  - Early stage, emerging technologies for commercial scale-up
  - Solar power generation (grid-connected and off-grid)
  - Manufacturing capacity of solar cells/modules in markets where there is suitable regulatory support or where solar is increasingly cost-competitive
IFC’s Commitment to Financing of Solar projects

- IFC has set a corporate target to increase its “climate friendly” business to 20-25% of its total new investment commitments by 2013.

- In 2009-2010, IFC invested in a 6 MW solar PV plant in Thailand and 5MW solar PV plant in India.

- IFC investment in the Solar manufacturing supply chain:
  - US$50 million in convertible debt to Suntech, the largest Chinese solar company
  - US$75 million in loan to SunPower in the Philippines

- IFC invested in Coco Ocean, a greenfield hotel in Gambia with solar panels that supply all hot water for the resort and heat its eight pools.
Renewable Energy—Important element of IFC added-value services

- Manufacturing, Agribusiness & Services
  - Mapping of portfolio to identify CP opportunities (Including RE)
  - Focus on projects with substantial EE/WHR component
  - Scale up GMS Business in emerging sectors e.g. drip irrigation, Lighting, Green Building
  - CLEAN-PAS program

- Infrastructure
  - RE projects (Solar, hydro, wind, biomass etc.)
  - Water/waste water utility
  - Reduction in T&D losses
  - Distributed Power generation (Solar, etc.)
  - Early Stage Clean Tech companies
  - CLEAN TECH+ AREAS programs

- Financial markets
  - RE/EE Risk Sharing Facility to local banks
  - Climate change mitigation funds
  - Promote CC trade finance
  - Special programs with banks in SSA
  - CIPA+ PEACCHIS programs

Deals
Work in Progress

(Sustainable Energy, Cleaner Production, Infra mandates, etc.)
Prospects and projects in West Africa

Manufacturing, Agribusiness and Services

- Securing a reliable and cost-effective electricity supply
- Cleaner Production Advisory Services for Senegal, Ghana and other countries
- PV panels and solar collectors for electricity and hot water in buildings
  (hotels, universities, schools and hospitals)

Infrastructure and Renewable Power Generation

- InfraVentures program to provide up to US$4 million project development equity alongside qualified project sponsors

IFC Advisory

- Support to governments seeking to create the right regulatory environment for private sector investment in solar power
- Support to the private sector in increasing its activity in the solar power sector

Market finance

- IFC designed the Climate Change Investment Program in Africa
- IFC is providing combined advisory and investment services to financial institutions to help them enter the new lending market for renewables and energy efficiency

International Finance Corporation
World Bank Group
Senegal Off-Grid Solar Power Project

Grid-extension + Stand Alone PV for Residential Applications

- Project type: Multi-modal PV + Grid-extension
- Location: Dagana-Podor, Senegal
- Project cost: $23 million (for total project)
- IFC Investment: $750,000 in equity
- Effective: May 2008 (Concession contract); Project still under implementation

Project Details:

- COMASEL Saint Louis, a wholly owned subsidiary of ONE, the Moroccan national electric utility is the project developer/implementing entity
- Project is designed to support Senegal’s Rural Electrification Priority Program
- Project finance is a mix of sponsor equity, long term debt, and resources from the World Bank administered GEF
- IFC brings added comfort for other investors and support to South-South investments
- Project will provide energy access to about 20,000 households and schools and community health centers, using a combination of traditional grid extension and 5,700 stand-alone household solar PV systems
Discuss Your Project Financing needs With IFC

- **For Renewable Energy Generation Projects:**
  Dana R. Younger: dyounger@ifc.org
  Bertrand Heysch de la Borde: bdelaborde@ifc.org

- **For EE/RE Projects in Manufacturing, Agribusiness and Services:**
  Stephanie Miller: smiller@ifc.org
  Gravette Deanne Brown: gbrown3@ifc.org
  Hakim Zahar: hzahar@ifc.org

- **For Carbon Finance:**
  Vikram Widge: vwidege@ifc.org

- **For EE/RE with Financial Institutions:**
  Paul Mumo Kirai: pkirai@ifc.org

- **For private equity funds:**
  Cecilia Bjerborn: cbjerborn@ifc.org