



Scaling Solar in Africa

Solar power has enormous potential as an energy source in Africa. At the same time, the cost of solar photovoltaic technology has fallen – solar PV can now deliver power less expensively and with more long-term price certainty, than fossil fuel-based power.

Many countries have struggled to develop utility-scale solar power plants due to challenges that include limited institutional capacity, lack of scale, lack of competition, high transaction costs and high perceived risk. To address these obstacles, Scaling Solar combines World Bank Group services under a single engagement aimed at creating viable markets for solar power in each client country.

Scaling Solar can help speed up procurement and development of privately funded and operated grid-connected solar projects at competitive tariffs. The package includes advice on the size and location of the plants, simple and rapid tendering to encourage high quality investor participation, fully developed templates of bankable project documents to eliminate negotiation, an IFC financing term sheet attached to the tender and available to all bidders to accelerate financial close, and World Bank Group credit enhancement products – such as Partial Risk Guarantees from the International Development Association (IDA), Liquidity Support Guarantees from the IDA Private Sector Window's Risk Management Facility (RMF) and Political Risk Insurance (PRI) from MIGA –to lower financing costs and thereby deliver lower tariffs.

About IFC in Africa

IFC has established a leading position promoting private sector investment in Africa. Over six decades, IFC has invested more than \$60 billion in long-term finance in African businesses and financial institutions, of which more than \$40 billion is from IFC's own account. We are a leading provider of advice to promote a sustainable private sector and mobilize capital from other investors who invest alongside IFC in critical sectors for Africa's future. IFC's work is increasing access to finance for small businesses, supporting innovative startups, bridging the power gap, enabling sustainable manufacturing, bolstering resilient health systems and expanding regional trade. We are also deploying fast-track funding and advisory support to help African businesses recover from the COVID-19 pandemic.

Overview of IFC's work in Scaling Solar in Africa

IFC helped deliver 167 MWp of operating solar capacity through Scaling Solar in sub-Saharan Africa. Two Scaling Solar engagements have been completed on the continent. In Zambia, home of the first Scaling Solar deployment, two plants with cumulative capacity of 88 MWp started producing clean electricity at flat tariffs of US¢6.02/kWh and US¢7.84/kWh in 2019. Two years later, in Senegal, two plants with cumulative capacity of 79 MWp came online, with initial tariffs of EUR¢3.80/kWh and EUR¢3.98/kWh, subject to indexation. Meanwhile, IFC currently has active engagements totaling ~425MWp in 5 countries and is in early discussions with a couple of others.

IFC's Scaling Solar Portfolio in Africa

- **54 MWp Bangweulu project near Lusaka, Zambia**, sponsored by Neoen, First Solar and the Industrial Development Corporation of Zambia (IDC) – commissioned in 2019.
- **34 MWp Ngonye project near Lusaka, Zambia**, sponsored by Enel Green Power and IDC – commissioned in 2019.
- **44 MWp Kahone project near Kaolack and 35 MWp Kael project near Touba both in Senegal**, sponsored by Meridiam, Engie and Fonsis – commissioned in 2021.



Bangweulu and Ngonye Projects, Zambia

The 54 MWp Bangweulu and 34 MWp Ngonye projects were major milestones for solar power in Africa. Their tariffs of US¢6.02/kWh (flat) and US¢7.84/kWh (flat) made them the lowest-cost solar projects in sub-Saharan Africa, outside of South Africa, at the time. IFC supported the Zambian government by helping the government to run the tender and arranging the projects' debt, with facilities from IFC, IFC-Canada Climate Change Program, DFC and EIB. IDA provided Partial Risk Guarantees. The projects changed perceptions of solar energy, showing how it is a tangible, low-cost choice for governments across the continent.



Kahone and Kael Projects, Senegal

The 44 MWp Kahone project and 35 MWp Kael projects changed Senegal's energy landscape by introducing solar PV at record low cost and diversifying the country's energy mix. IFC supported Senegal's national electricity company, Société nationale d'électricité du Sénégal (Senelec), and the government in running the tender and, alongside Proparco and EIB, contributed debt funding from its own account and through the Finland-IFC Blended Finance for Climate Program. IDA's comprehensive technical and financial support to the Senegalese power sector helped create the enabling conditions for the projects, while MIGA provided Political Risk Insurance.