



**International  
Finance Corporation**  
World Bank Group

# ECOWAS Solar Initiative for West Africa

## Overview of IFC innovative financing solutions

Dakar  
20 October 2010

# 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
- Loans
- Policy Advice

**IDA**  
International  
Development  
Association

Est. 1960

To promote institutional, legal and regulatory reform

Governments of poorest countries with per capita income of less than \$1,025

- Technical assistance
- Interest Free Loans
- Policy Advice

**IFC**  
International Finance  
Corporation

Est. 1956

To promote private sector development

Private companies in 182 member countries

- Equity/Quasi-Equity
- Long-term Loans
- Risk Management
- Advisory Services

**MIGA**  
Multilateral Investment  
and Guarantee Agency

Est. 1988

To reduce political investment risk

Foreign investors in member countries

- Political Risk Insurance

← Shared Mission: To Promote Economic Development and Reduce Poverty →

# IFC's Solar Strategy



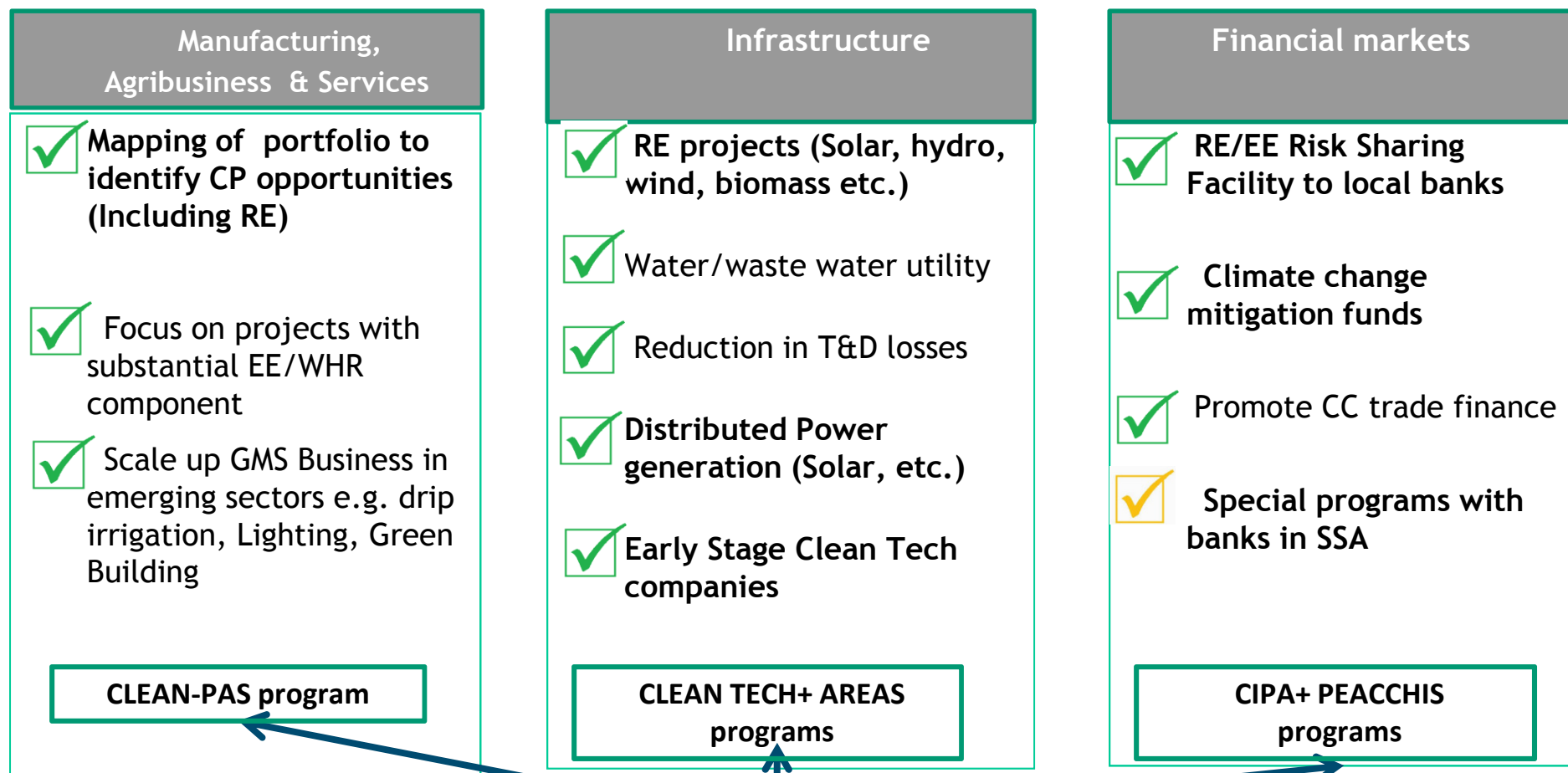
- Promote development of solar industry in emerging markets, help reduce costs, and allow the industry to become competitive
- IFC investments will help scale-up the supply chain to drive down the cost of solar PV energy to reach “grid-parity”
- Support use of solar energy in various applications like 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

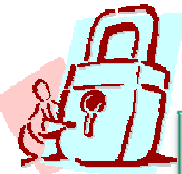


**Advisory Services**

(Sustainable Energy, Cleaner Production, Infra mandates, etc.)

✓ Deals

✓ Work in Progress



# 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*

# 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*

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