

Proparco is investing in a pan-African clean energy company



28/07/2020 - Date of signature of the project

RENEWABLE ENERGIES AND ENERGY EFFICIENCY - Sectors

SOUTH AFRICA, KENYA, RWANDA, MULTI-COUNTRY AFRICA - Location

EQUITY INVESTMENT - Financing tool

4 000 000 EUROS - Amount of funding

USD 4,631,200 EQUITY INVESTMENT - Financing details

HOLDCO SOLARISE AFRICA LTD - Client

IF-B - CES

Proparco is making an equity investment via the African Renewable Energy Scale-Up facility (financed by AFD Group and the EU), alongside the existing investors in Solarise Africa, EAV and EDFI ElectriFI, an investment facility financed by the EU. Solarise Africa is a pan-African clean energy and energy efficiency leasing company that is leading a revolution in power distribution grids in Africa through innovative financing solutions.

Client presentation

Solarise Africa is a pan-African clean energy and energy efficiency leasing company. Through its network of EPC partners, Solarise Africa offers turnkey clean energy systems, especially for solar energy, which include the construction of the power plant and its financing and maintenance. By offering financing solutions for self-consumption systems, Solarise facilitates the adoption of more

reliable and cheaper energy sources in countries where there are frequent power cuts. This makes it possible to optimize the costs and productivity of clients. The company operates in Kenya, South Africa and Rwanda, where it is financing several projects. It is continuing to develop its network of partners and deploy its project pipeline.

Project description

The project involves a EUR 4m equity investment through the African Renewable Energy Scale-Up facility financed by AFD Group and the EU. PROPARCO has invested alongside the existing shareholders, the EAV fund and EDFI Electrifi, an investment facility financed by the EU.

Solarise will use capital raised to finance the deployment of projects and to continue its expansion in Africa. The company targets projects between 100 kW and 1 MW with investments between USD 100k and USD 1m. This segment is underserved by traditional banks, which also remain cautious towards renewable energy projects.

Project impact

The deployment of Solarise projects should contribute to reducing CO2 emissions by 250,000 tons a year, i.e. 1,77 Mt CO2 by 2025. They are thereby fully in line with Agence Française de Développement's climate strategy. The project will support employment for local people by contributing to creating or maintaining 90,200 jobs in Solarise's client companies.

The use of self-consumed clean energy will also allow local companies to become more autonomous, reduce their dependence on often deficient and outdated centralized electricity networks and reduce electricity costs. This project will contribute to SDG #7 (Affordable, reliable, sustainable and modern energy), #9 (Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation) and #13 (Climate action).