

IFC-Led Consortium Invests \$653 Million to Support the World's Largest Solar Park in Egypt

Cairo, Egypt, October 29, 2017— IFC, a member of the World Bank Group, today finalized a landmark \$653 million debt package that will finance the construction of 13 solar power plants near the Egyptian city of Aswan. The plants will be part of the larger Benban Solar Park, which, once complete, will be the largest solar installation in the world.

The power plants will generate up to 752 megawatts of solar power, supplying Egypt with clean, renewable energy and contributing to energy security in the region. The initiative, officially named the Nubian Suns Feed-in-Tariff Financing Program, is expected to provide cost-effective and eco-friendly power to over 350,000 residential customers and generate up to 6,000 jobs during construction.

IFC's financing is designed to help transform Egypt's energy sector by helping the country meet its growing energy demand through renewables. IFC adopted an innovative approach to pull together a consortium of nine international banks, which are investing for the first time in Egypt's renewable-energy sector. The project is the largest private sector financing package for a solar photovoltaic facility in the Middle East and North Africa.

The consortium includes the Africa Development Bank; the Asian Infrastructure Investment Bank; the Arab Bank of Bahrain, CDC of the United Kingdom, Europe Arab Bank, Finance in Motion, FinnFund, ICBC, and OeEB of Austria. Together with IFC, their financing will support six groups of private power companies, which together will build and operate the 13 plants.

"Egypt's reforms in its energy sector opened the door to private sector investments," said Philippe Le Houérou, the CEO of IFC. "For the Benban Solar Park project, those reforms and our innovative financial tools have helped attract a number of investors and financiers into the country for the first time. This will create jobs for many Egyptians and provide clean and reliable energy for people across the country."

Egypt's Feed-in-Tariff program is a major initiative that leverages private sector capital and expertise to support the country's goal of generating 20 percent of its electricity from renewable resources by 2022. The Benban Solar Park, which will include 32 power plants in all, is an important part of the initiative.

Egypt's decision to create the program was part of a series of economic reforms—supported by the World Bank Group—meant to both improve essential services and competitiveness while reining in deficits. The Multilateral Investment Guarantee Agency, another member of the World Bank Group, has obtained approval to provide \$210 million in political risk insurance to 12 projects within Benban.

IFC's investment in the solar park is part of a global strategy to increase investments in renewable energy, helping countries reduce their reliance on fossil fuels. IFC has been a pioneer in renewable energy investments in several markets around the world, especially in early years when private sector financing for

renewable energy was considered risky. IFC's renewable investments share of its power portfolio has more than doubled in the last decade to 60 percent.