

IFC and Partners Invest \$1.1 Billion to Build the Largest Solar Plant and Wind Farm in Egypt

Cairo, Egypt, November 30, 2022— One million Egyptians will soon gain access to clean energy thanks to a \$1.1 billion financing package (including debt and equity) announced today by IFC alongside UAE, Japanese, Dutch, and private sector commercial bank partners. The financing package will support UAE-based AMEA Power to build, own, and operate twin solar and wind plants in Egypt, delivering more than 1 gigawatt of renewable energy at the lowest price in Africa.

When built, the 560MW Abydos Solar PV and 505MW Amunet Wind independent power projects, which will be Egypt's largest of their kind, will generate over 4,000 gigawatt-hours per year of power. Power from the solar park and the wind farm will be priced at 2 US cents/kilowatt hour and 3 US cents/kilowatt hour, respectively, which are the lowest rates in Africa and among the least expensive rates globally.

Abydos and Amunet will reduce Egypt's carbon footprint by 1.7 million tons of greenhouse gases annually.

"These projects highlight the private sector's essential role helping to deliver clean, affordable power, especially at a time of growing challenges from climate change and pressures on the environment," said Cheick-Oumar Sylla, IFC Regional Director for North Africa and Horn of Africa. "Egypt has ambitious renewable energy goals and we are proud to support AMEA's expansion into Africa as well as its partnership with Egypt to accelerate the country's renewable energy transition."

The investment includes loans from IFC of up to \$145 million to the Abydos Solar Company and the Amunet Wind Power Company, subsidiaries of AMEA Power. As the hedging organization for both projects, IFC is also removing most of the risk of rising interest rates by swapping the variable interest rate for a fixed rate for the term of loans for the combined packages.

As mandated lead arranger, IFC mobilized up to \$160 million in long-term loans from the Japan International Cooperation Agency and the Dutch Entrepreneurial Development Bank (FMO) to support the solar project. For the wind project, IFC mobilized over \$500 million from the Japanese Bank for International Cooperation and from three commercial banks—Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, and Standard Chartered Bank—under insurance cover from Nippon Export Investment Insurance and a working capital facility from the Commercial International Bank of Egypt.

The projects reflect IFC's strategy to increase access to clean, affordable power in Africa, where connectivity rates are the lowest in the world, and highlight the importance of partnerships to deliver large, privately funded infrastructure projects. The projects are also aligned with Egypt's National Climate Change Strategy 2050, which calls for renewables to provide 42 percent of total power generation by 2035.

"These landmark projects reflect the long-term commitment, ambition and growth of AMEA Power," said Hussain Al Nowais, Chairman of AMEA Power. "The company is leading the development of renewable energy across Africa, which through its global and regional partnerships, will deliver clean energy to millions of people around the continent. We are proud to reach this significant milestone and to be supporting Egypt in its energy transition journey and drive to accelerate sustainable development. Today's achievement would not have been possible without the hard work of AMEA power's world class team, the support of our project partners, lenders, advisors, and the cooperation of the Egyptian government."

The Abydos project will be situated near Kom Ombo in Egypt's Aswan governorate, while the Amunet project will be built in Egypt's wind-rich Gulf of Suez region. Construction of both projects is scheduled to begin in December 2022, with the solar plant expected to be complete in 18 months and the wind farm in 30 months.

“Reinforcing the power of international partnerships and shared ambition, the agreements for two wind and solar renewable energy projects signed with the IFC and AMEA Power, signal our commitment to the green transition, while also showcasing the depth of climate finance opportunities in Egypt and the crucial role of private sector engagement in accelerating the climate agenda on a national level. Moreover, both projects reflect the interlinkages and complementarity between climate action and development efforts and highlight the importance of mobilizing innovative financing modalities that offer an opportunity for the international community to support the climate agenda,” said Minister of International Cooperation and Governor of Egypt at the World Bank Group H.E. Dr. Rania A. Al-Mashat.

IFC has a growing portfolio of more than \$1.2 billion in advisory and investment projects in Egypt, including in key areas such as climate finance, healthcare, and gender.

About IFC

IFC — a member of the World Bank Group — is the largest global development institution focused on the private sector in emerging markets. IFC works in more than 100 countries, using its capital, expertise, and influence to create markets and opportunities in developing countries. In fiscal year 2022, IFC committed a record \$32.8 billion to private companies and financial institutions in developing countries, leveraging the power of the private sector to end extreme poverty and boost shared prosperity as economies grapple with the impacts of global compounding crises. For more information, visit www.ifc.org.