Early Warning System

FMO-57989

KODENI SOLAR S.A.S.U.

Quick Facts

Countries	Burkina Faso
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Active
Bank Risk Rating	B
Voting Date	2020-12-22
Borrower	Government of Burkina Faso
Sectors	Energy
Investment Type(s)	Loan
Investment Amount (USD)	$ 14.63 million
Project Cost (USD)	$ 49.36 million

Project Description

FMO is investing into Kodeni Solar SASU ("Kodeni"), an SPV established under the laws of Burkina Faso with a total syndicated debt of EUR 32.4 million. The Sponsor is Africa REN Invest Ltd. (Mauritius), an IPP that is active in West Africa's renewable energy market. Africa REN who also own and operate the Senergy 2 solar PV plant in Senegal, which was also financed by an FMO loan.

FMO's loan of EUR 12 million will catalyse EUR 12.3 million from ICCF both for a 14.5 year tenor and mobilise a further EUR 8.1 million from AEF which will have a longer 20-year tenor. This financing will allow for the development, construction, operation and maintenance of a 38MWp solar farm with a total project cost of EUR 40.5 million.

This is a greenfield renewable energy development in a low-income sub-Saharan country and the first privately owned solar power project in the country. Kodeni will provide clean, reliable electricity to a country that has one of the lowest electrification rates in West Africa at a lower price than current thermal power stations. FMO's tenor of up to 14 years and 6 months is not available in the Burkina Faso market and allows the project to offer an attractive tariff to SONABEL.

ENVIRONMENTAL AND SOCIAL RATIONALE

Category B+, all IFC PSs triggered except PS7, as there are no Indigenous Peoples groups affected by the project. Key E&S focus areas include provision of replacement land to land sellers, via a government-led process. The project company will follow and support the process in line with IFC PS requirements on Private Sector Responsibilities in Government Led Land Acquisition. While local communities and authorities are supportive of the project, proactive management of the project-community relationship and avoiding project-induced intra-community tensions are key areas where the company will continue to focus their efforts, given the deteriorating security context in Burkina Faso, where minor issues can escalate fast. A project-specific environmental and social management system with plans and procedures addressing all relevant areas, including the above, will be implemented by the project company and cascaded down to contractors and subcontractors.

Investment Description

- Netherlands Development Finance Company (FMO)

Contact Information

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ACCESS TO INFORMATION

As part of FMO's ex-ante disclosure (disclosure of transactions before contracting), you can send requests or questions for additional information to: disclosure@fmo.nl

ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW). A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: https://www.fmo.nl/independent-complaints-mechanism

Bank Documents

- Project Information

Other Related Projects

- FMO-63976 Africa REN Development.