

 Early Warning System

FMO-63495

New Energy Africa Kolda S.A.



Quick Facts

Countries	Senegal
Specific Location	Kolda
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	B
Voting Date	2024-11-11
Borrower	AXIAN Group
Sectors	Energy
Investment Type(s)	Loan
Investment Amount (USD)	\$ 32.52 million
Project Cost (USD)	\$ 111.96 million



Project Description

According to the Bank's website, the objective of FMO's (up to) EUR 30 million Senior Loan is to finance the development, construction, and operation of a 60 MW solar photovoltaic ("PV") plant and 20 MW / 72 MWh Battery Energy Storage System ("BESS"). The total financing package is expected to be EUR 83 million, with the remaining senior debt coming from international Lenders. Total Project Cost will amount to around EUR 105 million. The project will be located near Kolda, approximately 350km southeast of the capital city Dakar.

NEA Kolda will be FMO's second battery storage project in West Africa and as a result will supply clean power and grid stability services to the Senegalese grid, contributing to the country's goals of universal electrification by 2025 and 40% electricity supply from renewable sources by 2030. The project is expected to avoid the emissions of 50,000 tons of CO₂ / annually. The battery will stabilize the frequency of the grid and reduce power outages. NEA Kolda will support Senegal's green energy ambitions and provide the much-needed power supply to expand the grid in the Casamance region of the country.



Early Warning System Project Analysis

E&S categorization is B+ due to economical resettlement as well as biodiversity impact related to the Project. Potential risks relate to: (i) construction phase and the associated risks including, but not limited to occupational health and safety (OHS), influx, traffic, Gender Based Violence and Harassment (GBVH), etc. (ii) economic and physical displacement and the need for an adequate Resettlement Action Plan as well as a Livelihood Restoration Plan; (iii) maintenance of Broad Community Support; impacts on biodiversity; supply chain; and security given the project's location in an area that has been known to have some instability in the past. IFC PS 7 on Indigenous People is not considered to be applicable, assessment confirmed by the external consultant during due diligence. There is a Chance Find Procedure being implemented to identify potential triggers of PS8 on Cultural Heritage.



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- Netherlands Development Finance Company (FMO)

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Private Actors Description

AXIAN Group is a pan-African group that operates in 15 countries and specializes in five industries with high growth potential: telecoms, energy, financial services, real estate, and open innovation. AXIAN Group is an engaged partner in the socio-economic growth of the countries where it operates. With over 7,500 employees, the group systematically ensures that its products and services have a positive and sustainable impact on the day-to-day lives of millions of Africans. AXIAN Group is a signatory of the United Nations' Global Compact initiative and committed to the integration of its 10 Principles into its policies and operations.



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Axian Group	Client	-



Contact Information

<https://www.axian-group.com/>

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

- [Translation \(french\)](#)