

 Early Warning System

FMO-63963

Ilute Solar Limited



Quick Facts

Countries	Zambia
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	A
Voting Date	2025-08-25
Borrower	Ilute Solar Limited
Sectors	Energy
Investment Type(s)	Loan
Investment Amount (USD)	\$ 3.48 million
Loan Amount (USD)	\$ 3.48 million



Project Description

According to the information provided on the project disclosure page, FMO is Mandated Lead Arranger for a debt package consisting of i) a senior debt tranche (sized conservatively assuming reduced market risk); ii) a senior tranche from the Sustainable Energy Fund for Africa (SEFA), managed by AfDB (same terms as senior debt with a concessional interest rate); and iii) a sub-senior tranche funded from Building Prospects, a government fund managed by FMO (assumes market risk and absorbs tariff fluctuations).

In southern Africa, there is a clear trend of moving away from classical PPAs with government-owned utilities towards a regional merchant model. This has the potential to unlock vast new amounts of renewable energy in the region, as supply and demand can be balanced regionally, and the success of projects no longer depends on the performance of local utilities. Ilute is poised to be the first operational project to sell power on SAPP under a GreenCo PPA. Through the involvement of GreenCo, tariffs are stabilized within a certain bandwidth, avoiding pure merchant risk. This transaction is fully aligned with FMO's 100% Green and 100% Reducing Inequalities labels. It enabled FMO to mobilize approximately USD 18.5 million, including USD 5 million from commercial banks.



Investment Description

- Netherlands Development Finance Company (FMO)



Private Actors Description

As stated by the FMO, Ilute Solar Limited (the Borrower) is a Special Purpose Vehicle (SPV) holding the 25MWac solar power project developed by Serengeti Energy Ltd (<https://serengeti.energy/>) and Western Solar Power Ltd (www.buffaloenergy.co), both the Sponsors. Power will be sold under a 25-year Power Purchase Agreement (PPA) with GreenCo Power Services Ltd, acting as an intermediary off-taker that purchases power from Renewable Energy (RE) Independent Power Producers (IPPs) and sells that electricity to utilities and private sector off-takers via the Southern African Power Pool (SAPP).



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Serengeti Energy Ltd.	Client	Energy	contracts with	Africa GreenCo Group Limited	Buyer	Energy
Western Solar Power Limited	Client	Energy	contracts with	Serengeti Energy Ltd.	Client	Energy



Contact Information

Client - Ilute Solar Limited:

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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>



Other Related Projects

- AFDB-P-ZM-FF0-006 ZAMBIA - Ilute 25mw Solar PV (Sefa Covid-19 IPP Relief Programme)