

 Early Warning System

IFC-37811

SS Zambia



Quick Facts

Countries	Zambia
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Borrower	SS ZAMBIA PROJECT COMPANY
Sectors	Energy
Investment Amount (USD)	\$ 12.50 million



Project Description

As part of the World Bank Group (WBG) Scaling Solar program, Enel Green Power (“the Sponsor”) has been awarded the contract to finance, construct and operate a 34.0 MWp solar photovoltaic (PV) power plant (“the project”) at the Lusaka South Multi-Facility Economic Zone (LS-MFEZ) in Zambia. The project is one of the two winning 50MW solar PV IPP projects in Zambia. The two projects being financed are located on the same site side-by-side of each other. The first project, Neoen Bangweulu, was disclosed in January 2017.

The Sponsor together with IDC (the Industrial Development Corporation, an investment company owned by the Government of the Republic of Zambia (GoZ) a special purpose vehicle dedicated to the project (“the Company”, or “Ngonye Power Company Limited”). Enel Green Power, the main sponsor of the project, is the renewable energy division of multinational energy company Enel and generates electricity from renewable sources (solar, wind, hydroelectric, geothermal or biomass). Enel Green Power develops and operates renewable power plants in Europe, Americas, Africa, Asia and Oceania for a total managed capacity of around 39 GW. The Zambia PV power plant to be built under the WBG’s Scaling Solar program will operate on a 25-year Power Purchase Agreement (PPA) signed with ZESCO, the integrated electricity utility company of Zambia. The total project cost is estimated at up to US\$45 million (including transaction costs). The World Bank (WB) is providing a payment guarantee and IFC’s proposed investment consists of an A loan of up to \$12.5 million.

The power plant covering a maximum footprint area of about 50.2 hectares will require about 105,000 tracker modules and 28 inverters. The proposed PV system will be connected to the grid and the electrical energy will be evacuated through the Lusaka South MFEZ substation, via a 33kV underground cable. The substation and underground cable will be financed, implemented and commissioned by the project company, and then handed over to ZESCO.

The project site is situated within the LS MFEZ about 15 km to the South and East of the Lusaka Central Business District. The site is bordered by the Lusaka National Park to the South and some agricultural holdings to the East.

Italgest Energy Pty Ltd, a fully owned subsidiary of Enel, will be responsible for engineering, procurement and construction (EPC). Enel Green Power Zambia Limited, a fully owned subsidiary of Enel, will be responsible for operations and maintenance (O&M). In order to be flexible on the planning and to accommodate changes in the project schedules, the notice to proceed with the works (NTP) date is used as a timing reference.

IFC has previously invested in another Enel renewable energy project, namely Enel Wind Brazil. This was a Category A corporate wind deal in Brazil that was publicly disclosed in 2013 <https://disclosures.ifc.org/#/projectDetail/ESRS/33579>. The client is up-to-date in addressing Environmental and Social (E&S) action items for this transaction and the Environmental and Social Performance for the project is currently rated Satisfactory.

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Investment Description

- International Finance Corporation (IFC)



Contact Information

Contact Person: Alexander Bianchi (Business Development); Francesco Carbonara (Finance)

Company Name: Enel Green Power

Address: Viale Regina Margherita 125 – Rome, Italy

Email : alexander.bianchi@enel.com; francesco.carbonara@enel.com

Phone : +27 (0) 1034 40348 ; +39 06 8305 5159

ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org/>



Bank Documents

- [Project Information](#)