Early Warning System

IFC-43011

Kairouan Solar Plant

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Quick Facts

Countries	Tunisia
Specific Location	Kairouan Governorate, Sbikha, 15km north of Kairouan, 500m northeast of the Sbikha Industrial Zone
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2022-12-22
Borrower	AMEA Power Limited
Sectors	Construction, Energy, Infrastructure
Investment Type(s)	Equity, Loan
Investment Amount (USD)	$ 37.00 million
Loan Amount (USD)	$ 20.00 million
Project Cost (USD)	$ 100.00 million

Project Description

According to bank provided information, the proposed investment seeks to support a 100MW solar photovoltaic (“PV”) project in Tunisia under a 20-year Power Purchase Agreement with the Société Tunisienne de l'Electricité et du Gaz (Tunisian Company of Electricity and Gas – “STEG”) (the “Project”)

The project was awarded in 2019 following a competitive tender to a consortium led by AMEA Power Ltd (“AMEA” or the “Company”). AMEA is an Emirati based renewable energy company. The Project Company, a special purpose vehicle, Kairouan Solar Plant Sarl. (“KSP”) is in the process of being set-up. IFC (the “Lender”) will provide up to US$20 million from its own account and up to $17 million from IFC as implementing entity of the Clean Technology Fund; additional funds will be provided by African Development Bank (together with IFC and AfDB, the “Lenders”). The project is still in the design stage and is expected to be completed within 16 months after groundbreaking under a turnkey, fixed price Engineering Procurement and Construction (“EPC”) contract. The EPC contractor is yet to be selected while construction activities are expected to commence in Q1 2023.

The plant is anticipated to be operational for 20 years and then handed over to the Government of Tunisia. The proposed project site is located in the Kairouan Governorate in the delegation of Sbikha, around 110km south of Tunis, 15km north of Kairouan and about 500m northeast of the Sbikha Industrial zone. The proposed plant will be built on a 2km2 plot owned by the Government and leased to the company. The site is uninhabited and is part of the larger Metbasta desert rangeland area. The closest identified residential areas are the villages of Al Metbasta and Al Bshashma, located approximately 2.2km to the south and 4km to the northeast respectively.

The plant will consist of a utility grade grid-connected PV array power system, carried on a horizontal single-axis beam tracker, consisting of approximately 220 thousand, bifacial crystalline PV panels with anti-reflective coating. Preliminary design indicates that the plant will include string inverters stations, converting direct current from the panels to alternating current, and a substation, converting to appropriate voltage for connection directly to the national grid with no storage batteries required. Connection to the grid will be through an 8km, high voltage 225 kilovolt OverHead Transmission Line (“OHTL”) constructed and operated by the Société Tunisienne de l'Electricité et du Gaz (Tunisian Company of Electricity and Gas – “STEG”). The plant will also include ancillary structures like office and data control building, warehouses and workshops, and internal roads; the plant will be completely fenced. Access to the site is via the existing regional road 171 running north-south about along the site east boundary. The project is expected to employ approximately 450 (peak) workers during the construction stage, of which 100 would be skilled and 350 unskilled, during the construction phase. During the Operation and Maintenance (“O&M”) phase, to be carried out by a specialized contractor under KSP supervision, 45 workers, 10 skilled and 35 unskilled, are expected to be involved on site working in shifts. The E&S policies and procedures at the level of the Project Company will reflect those of AMEA.

Investment Description

- International Finance Corporation (IFC)

The total Project cost is estimated at approximately $100 million, to be leveraged on up to 75/25 debt to equity basis. IFC's proposed investment includes an up to $20 million A Loan from its own account and up to $17 million from IFC as implementing entity of the Clean Technology Fund. IFC is also expected to provide an interest rate swap to partially hedge the senior debt.

Private Actors Description

The concession for the Project was awarded in 2019 following a competitive tender to a consortium coordinated and led on an operational day-to-day basis by AMEA Power (“AMEA”). AMEA was founded in 2016 and is headquartered in Dubai, UAE. The company develops, finances, builds, owns, and operates renewable energy plants in Africa, Middle east, and Asia. The Project Company, a special purpose vehicle, Kairouan Solar Plant Sarl. (“KSP”) has been set-up.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Societe Tunisienne de l'Electricite et du Gaz	Buyer	Energy	contracts with	AMEA Power Limited	Client	Energy

Contact Information

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You can submit a request for information disclosure at: https://disclosures.ifc.org/#/inquiries

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ACCOUNTABILITY MECHANISM OF IFC/MIGA

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

- Environmental & Social Review Summary