

Early Warning System

IFC-45424

RMI4P Scatec 2

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Quick Facts

Countries	South Africa
Specific Location	Kenhardt
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Borrower	SCATEC KENHARDT 2 (PTY) LTD
Sectors	Energy, Infrastructure
Investment Type(s)	Loan
Investment Amount (USD)	$ 68.00 million
Project Cost (USD)	$ 294.00 million

Project Description

According to bank provided information, the Project consists of the development, financing, construction, operation and maintenance of a greenfield fully dispatchable facility with a 50MWp contracted capacity consisting of a 180 MW solar photovoltaic (“PV”) combined with a 75 MW/380 MWh battery energy storage (“BESS”) located in Kenhardt in South Africa (Project “RMI4P Scatec 2” or “Kenhardt 2”). The electricity generated from the Project will be sold to South Africa’s state-owned electricity utility, Eskom through a 20-year Power Purchase Agreement.

Project Kenhardt 2 is adjacent to similarly sized projects Kenhardt 1 and 3; these Projects have been identified as preferred bids under the Risk Mitigation IPP Program (“RMI4P”) by the South Africa IPP Office on June 1, 2021.

Investment Description

- International Finance Corporation (IFC)

The Project cost is estimated at US$[294] million, which the Company expects to finance with an 80% debt-to-equity ratio. The proposed IFC investment is up to US$68.0 million including (i) an A-Loan of up to US$50 million; and (ii) two IFC Blended Finance Senior Loans of up to US$18.0 million from the Canada Climate Change Program and the Clean Technology Fund (“CTF”) with a loan equivalent amount of hedging swaps of up to US$1.0 million. Standard Bank of South Africa (“SBSA”) will provide the balance of debt through a Parallel Senior Loan of up to US$165 million.

Private Actors Description

The Project Company is Scatec Kenhardt 2, a special purpose vehicle to be incorporated in South Africa. The Company is 51% owned by Scatec ASA and 49% by Black Economic Empowerment (“BEE”) partner H1 Holdings.

Scatec ASA is a leading emerging markets renewable energy company. The Norwegian listed company is an experienced PV system integrator with experience in developing, financing, designing, constructing, and operating utility scale PV plants globally. Scatec ASA has recently acquired SN Power, a leading hydropower developer and IPP. The company has 3.3 GW in operation or construction on four continents.

H1 Holdings is a black-owned and managed infrastructure and development company based in South Africa with a strong focus on Environmental, Social and Governance (“ESG”). The company was founded in 2000. Scatec ASA and H1 Holdings’ collaboration on the Kenhardt Projects is a natural follow on from a successful cooperation on three projects of Round 4 of the Renewable Energy IPP Procurement Program.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Scatec ASA	Client	Energy

Contact Information

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ACCESS TO INFORMATION

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

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

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