

 Early Warning System

IFC-49569

Botswana Solar Phase 2



## Quick Facts

<b>Countries</b>	Botswana
<b>Specific Location</b>	Selebi Phikwe, Mmadinare; Selebi Phikwe District
<b>Financial Institutions</b>	International Finance Corporation (IFC)
<b>Status</b>	Approved
<b>Bank Risk Rating</b>	B
<b>Voting Date</b>	2024-09-30
<b>Borrower</b>	Mmadinare Solar Proprietary Limited (Scatec ASA)
<b>Sectors</b>	Energy
<b>Investment Type(s)</b>	Loan
<b>Investment Amount (USD)</b>	\$ 19.00 million
<b>Loan Amount (USD)</b>	\$ 19.00 million
<b>Project Cost (USD)</b>	\$ 58.00 million



## Project Description

As stated on the project disclosure page, IFC's proposed investment consists of an A loan of up to \$19 million for the development of the greenfield 50MWac Mmadinare Solar PV Facility, located on a 140-hectare site, approximately 5.8 km northwest of Selebi Phikwe and 9.2 km southeast from Mmadinare, in the Selebi Phikwe District of Botswana.

Phase 2 of the Mmadinare Solar Complex will be adjacent to the 50 MWac Selebi Phikwe Project (Phase 1) that is currently under construction, bringing the total capacity of Phase 1 and 2 to 100 MWac. The Project will be a replica of Phase 1 that consists of the construction, operation, and maintenance of a 50 MWac (60 MWp), grid connected, ground mounted solar PV plant. The power plant will connect into a spare bay of the substation built for Selebi Phikwe Solar.

Scatec ASA, a Norwegian based renewable energy company, was awarded Phase 2 by the Botswana Power Corporation (BPC) on April 18, 2023. Scatec, through its subsidiary Mmadinare Solar (Pty) Ltd, has entered into a Power Purchase Agreement (PPA) with the BPC that will allow for the development, construction, testing, commissioning, operation, and maintenance of the 50MWac solar PV facility for a period of 25 years. At the end of this term, the Project will be decommissioned or repowered. Scatec Botswana Operations (Pty) Ltd has been established as the Project Special Purpose vehicle (SPV), and will also assume the role of the Engineering, Procurement and Construction (EPC) contractor, the Operations and Maintenance (O&M) contractor and Asset Manager for the project. Previous IFC exposure to the client in Botswana started with the Phase 1 Selebi Phikwe Solar disclosed on 23 June 2023 (<https://disclosures.ifc.org/project-detail/ESRS/44613/botswana-solar>) and whose construction commenced in November 2023.

The Project is located close to Selebi Phikwe town and will interconnect to the newly built 33/220kV Mmadinare Substation that feeds into the transmission line between Selebi Phikwe and Phokoje substation. The Phokoje substation is situated on the Southern African Power Pool ("SAPP") north-south 400kV transmission backbone providing the Project a stable point of interconnection as well as a strategic location in respect of the SAPP. The Project will cover an area of approximately 140ha and will have an installed peak capacity of 60MWp, making use of single axis trackers and bifacial solar panels.



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## Investment Description

- International Finance Corporation (IFC)

As stated by the IFC, the proposed financing package includes: (i) an IFC A loan of up to USD 19 million, (ii) a USD interest rate swap intermediated by IFC and (iii) a Parallel Loan of up to BWP 380 million from the South African bank Rand Merchant Bank (“RMB”). The balance is covered by equity from Scatec.



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### Private Actors Description

As stated by the IFC, the Project Company is Mmadinare Solar Pty Ltd, a Special Purpose Vehicle (“SPV”) incorporated in Botswana. Scatec ASA indirectly owns 100% of the SPV’s shares and will act as the EPC, O&M and Asset Manager in the Project delivery through its vertically integrated business model. To serve this purpose a separate, a wholly owned subsidiary has been incorporated in Botswana as Scatec Operations Botswana Pty Ltd. A sell down of 40% of shares in the Project Company to local Botswana investors is envisioned within 5 years after Commercial Operation Date on a best-effort basis.

Scatec, listed on the Oslo stock exchange, is a leading global renewable power producer, delivering affordable and clean energy. Scatec develops, builds, owns, and operates solar, wind and hydro power plants and battery energy storage solutions. With over 731 employees, Scatec has 4.23 GW in operation and 342 MW under construction across four continents.



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Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Rand Merchant Bank	Investor	Finance
Botswana Power Corporation	Buyer	Energy	contracts with	Scatec ASA	Client	Energy

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## Contact Information

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### Client - Scatec ASA

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Website: [www.scatec.com](http://www.scatec.com)

### Local Access for Project Documentation:

Email: [post.za@scatec.com](mailto:post.za@scatec.com)

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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](mailto:CAO@worldbankgroup.org) You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org>



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## Bank Documents

- [Environmental and Social Review Summary](#)
- [ESIA Phase 2](#)
- [ESIA Phase 2 Appendices](#)

## Media

- [RMB Botswana Finances the Mmadinare Solar Complex Project](#)
- [BOTSWANA: work starts on the country's largest solar farm at Mmadinare](#)





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**Other Related Projects**

- IFC-44613 Botswana Solar