Under the ARESUF facility supported by the EU, Proparco is supporting Daystar, one of the main providers of hybrid solar power solutions in West Africa.

Under the ARESUF facility supported by the European Union, Proparco is allowing Daystar, one of the main providers of hybrid solar power solutions for companies in Africa, to accelerate its regional expansion. The energy solutions installed by Daystar from now until 2025 should supply companies with around 153 GWh of reliable and clean electricity per year. The project should also avoid 127,000 tCO2e per year.

PROJECT DESCRIPTION

This investment will allow the West African C&I solar power supplier, whose growth is the highest in the sector, to accelerate its regional expansion. This investment is Proparcos third commitment under the ARESUF facility supported by the European Union. In line with Proparco's strategic objectives to improve access to energy while reducing greenhouse gas emissions, the capital increase will allow DSP to extend the supply of reliable energy with a competitive cost to the C&I sector throughout West Africa, especially in Nigeria.

This project is part of the 2X Challenge initiative. This multi-stakeholder initiative aims to support projects that empower women as entrepreneurs, business leaders, employees and consumers of products and services, and increase their participation in the economy.

This initiative thus contributes to Sustainable Development Goal #5 (Gender Equality).

The Technical Assistance project aims to support DSP's future growth and improve its internal expertise and environmental impact through the following activities:

- Development of an analysis and rating methodology for the client credit risk
- A study on the integration of less polluting energy sources into hybrid power systems
- Development of an application to optimize the monitoring of maintenance activities
- Review and improvement of the system to measure operating performance.

The Technical Assistance program will firstly contribute to strengthening DSP's internal expertise by improving the system for the credit score analysis and measurement of operating performance. The TA program will also allow DSP to have a better understanding of its future growth and support it through the improvement in the credit score analysis of its future clients, the work on optimizing the monitoring of maintenance activities and the search for a new source of less polluting energy (several of DSP's existing clients have shown a strong interest in hydrogen).
Beyond the project, the TA will indirectly contribute to improving access to a renewable electricity source (and to phasing out diesel, an energy source used until now) for industrial and commercial players in Africa which are currently not connected to the grid.

CLIENT PRESENTATION

Daystar Power, one of the main providers of hybrid solar power solutions for companies in West Africa.

This project is carried out with the support of the European Union and is part of the 2X Challenge initiative

08/12/2020
Date of signature of the project

Gender equality , Innovative start-ups , Renewable energies and energy efficiency
sector(s)

Nigeria
Location

Equity investment
Technical Assistance
ARE Scale Up
Financing tool

4 140 000 Euros
Amount of funding

USD 4.64m Equity Investment and technical assistance of 140,000 EUR
Financing details

Daystar Power Group (Mauritius)
Client

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PROJECT IMPACT

The expected impacts of the Daystar project are as follows:

- The hybrid solar power solutions installed by Daystar from now until 2025 should supply around 153 GWh of reliable and clean electricity per year to companies. This will also reduce their dependence on diesel or electricity from the grid as well as their energy costs.
- The project should avoid 127,000 tCO2e per year (replacement of highly polluting diesel generators), i.e. some 3.17 millions tCO2e over a 25-year period.
- The project should create or maintain some 180 direct jobs over the next 5 years.

The project should therefore contribute to SDG n° 7 (Clean energy), n° 8 (Decent work and economic growth), n° 9 (Infrastructure) and n° 13 (Climate change).