

# Unlocking solar capital in Namibia

## CONTEXT

THANKS TO ITS EXTREMELY HIGH LEVEL OF SOLAR IRRADIATION, NAMIBIA HAS ONE OF THE BEST SOLAR RESOURCES IN THE WORLD.

HOWEVER, THIS POTENTIAL REMAINS LARGELY UNTAPPED AND THE COUNTRY IMPORTS MORE THAN 60% OF ITS ELECTRICITY NEEDS.

## PROJECT

Proparco provided a guarantee to a local bank to finance the construction of Namibia's first large-scale photovoltaic solar power plant, with an installed capacity of 45.5 MWp for an output of 37 MWac.

Amounting to nearly 8% of the total installed capacity in the country, this power plant will allow Namibia to reduce its energy dependence and expand local access to clean and affordable energy.



## IMPACT



**112 GWh**  
per year of clean energy to the national grid, enough to meet the annual electricity needs of over 70 000 Namibians



**LOCAL ECONOMY**  
and stakeholder engagement



**INNOVATIVE ON-THE-GROUND**  
funding solution with potential for replication in regional and new markets

## KEY INDICATORS

37 M EUR • Guarantee

15 YEARS • Tenor

**STANDARD BANK SOUTH AFRICA & STANDARD BANK NAMIBIA, ALTEN RE DEVELOPMENTS AFRICA • Partners**

2018 • Date granted

## HEADQUARTERS

151, rue Saint-Honoré  
75001 Paris, France  
T.: +33 1 53 44 31 08  
[www.proparco.fr/en](http://www.proparco.fr/en)  
[blog.secteur-prive-developpement.fr](http://blog.secteur-prive-developpement.fr)



EMMANUELLE MATZ  
Head of Energy and Infrastructure  
[matze@proparco.fr](mailto:matze@proparco.fr)

DENIS SIREYJOL  
Head of Manufacturing,  
Agribusiness and Services  
[sireyjold@proparco.fr](mailto:sireyjold@proparco.fr)

GUILLAUME BARBEROUSSE  
Head of Financial Institutions Debt Group  
[barberousse@proparco.fr](mailto:barberousse@proparco.fr)

## OUR REGIONAL OFFICES

### ASIA

**North and Southeast Asia**  
BANGKOK  
[afdbangkok@afd.fr](mailto:afdbangkok@afd.fr)  
T.: +66 (0) 2663 60 90

**South Asia**  
BEIJING  
(China office)  
[chenj@afd.fr](mailto:chenj@afd.fr)

NEW DELHI  
[afdnnewdelhi@afd.fr](mailto:afdnnewdelhi@afd.fr)  
T.: +91 (11) 42 79 37 00

### AFRICA

**West Africa**  
ABIDJAN  
[proparcoabidjan@proparco.fr](mailto:proparcoabidjan@proparco.fr)  
T.: +225 22 40 70 14

**Nigeria**  
LAGOS  
C/o Consulate General of France  
[afdlagos@afd.fr](mailto:afdlagos@afd.fr)  
T.: +234 1 462845

**Central Africa**  
DOUALA  
[proparcodouala@proparco.fr](mailto:proparcodouala@proparco.fr)  
T.: +237 233 42 06 24

**Southern Africa and Indian Ocean**  
JOHANNESBURG  
[proparcojohannesburg@afd.fr](mailto:proparcojohannesburg@afd.fr)  
T.: +27 11 540 7100

**East Africa**  
NAIROBI  
[afdnairobi@afd.fr](mailto:afdnairobi@afd.fr)  
T.: +254 2 592 914

**North Africa**  
CASABLANCA  
[afdcasablanca@afd.fr](mailto:afdcasablanca@afd.fr)  
T.: +212 522 29 53 97

### MIDDLE EAST

**Turkey and Middle East, Central Asia, Caucasasia, Eastern and Southern Europe**  
ISTANBUL  
[afdistanbul@afd.fr](mailto:afdistanbul@afd.fr)  
T.: +902122833111

### LATIN AMERICA & CARIBBEAN

**Central America and the Caribbean**  
MEXICO  
T.: +52(55) 9138 8953

SAINT-DOMINGUE  
[viciniv@afd.fr](mailto:viciniv@afd.fr)

**South America**  
SÃO PAULO  
[afdsaopaulo@afd.fr](mailto:afdsaopaulo@afd.fr)  
T.: +55 11 3149 7900

BOGOTA  
(opening in Sept.)  
[afdsaopaulo@afd.fr](mailto:afdsaopaulo@afd.fr)  
T.: +55 11 3149 7900



# UNLOCK

UNFUNDED LOCAL CURRENCY  
KEYSTONE FINANCING SOLUTION





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UNLOCK is Proparco's innovative guarantee scheme offered to financial institutions to jointly cover the risk on long-term financing in local currency for key development projects.

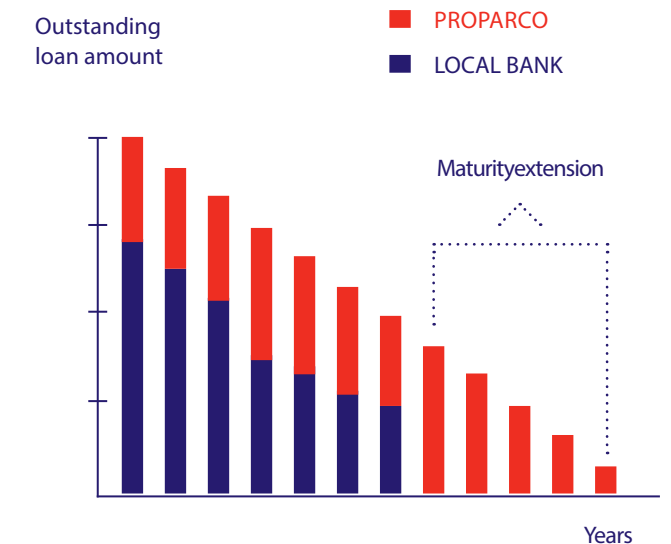
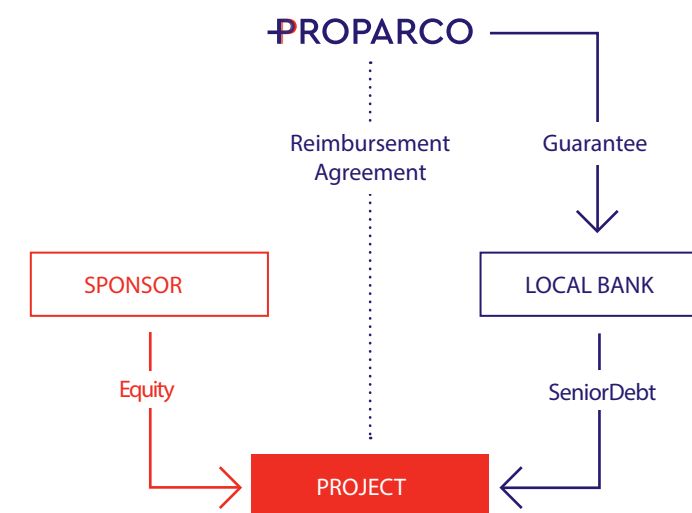
"Proparco and Standard Bank jointly designed an integrated offer which enabled the project company to secure long-term financing in local currency."

Juan Laso, Executive President – Alten Energías Renovables

## UNLOCK in action

### HOW DOES IT WORK?

Proparco issues a guarantee in favour of the local bank, to then on-lend to the project company. The structure is based on strong coordination between partners, with Proparco acting as co-lead arranger of the financing.



Proparco provides increased risk coverage over time



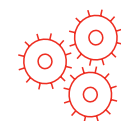
### Competitive local currency financing



### Extended loan tenors



### Risk-sharing phased in over time



### Generating impact through a long-term partnership

#### PROPARCO

- > Issues guarantee
- > Extends the tenor of the local currency financing
- > Brings on board regional and international expertise
- > Enhances creditworthiness with its AA rating (S&P's)

#### LOCAL COMMERCIAL BANK

- > Provides project financing
- > Ensures liquidity throughout the life of the loan
- > Brings on board local market know-how

#### ELIGIBLE PROJECTS

- > Financing needs of 20-50 M USD (or equivalent)
- > Multisector development project: infrastructure, energy, agriculture, manufacturing and services



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"Successful cooperation with Proparco was underpinned by a trusted relationship at institutional level and close interaction between the structuring teams."

Rentia van Tonder, Head: Renewable Energy, Power & Infrastructure – Standard Bank

### WHAT TYPE OF GUARANTEE?

UNLOCK is a suretyship guarantee that can be called upon after collection efforts have been exhausted and acceleration has been invoked.

