

Scaling Solar



AN INNOVATION OF
WORLD BANK GROUP



Unlocking Private Investment
in Large Scale Solar Power

The Challenge

Solar power has enormous potential as an energy source in emerging markets. At the same time, the cost of solar photovoltaic technology has fallen dramatically.

Still, many countries have struggled to develop utility-scale solar power plants as a result of challenges that include:

- ⚙️ **INSTITUTIONAL CAPACITY:** Many governments have limited capacity to manage, structure and negotiate private power concessions.
- ⚙️ **LACK OF SCALE:** Navigating small and distinct power markets can deter investors and small grids can only absorb small projects.
- ⚙️ **LACK OF COMPETITION:** Many power projects are not competitively tendered.
- ⚙️ **HIGH TRANSACTION COSTS:** Individually negotiated contracts have high transaction costs.
- ⚙️ **HIGH PERCEIVED RISK:** Poor credit utility off-takers and political risks increase the cost of capital, driving up tariffs.

The Solution

Scaling Solar brings together a suite of World Bank Group services under a single engagement aimed at creating viable markets for solar power in each client country. The “one stop shop” program aims to make privately funded grid-connected solar projects operational within two years and at competitive tariffs.

We offer a package that includes:

- ⚙️ **ADVICE** to assess the right size and location for solar PV power plants in a country's grid.
- ⚙️ **SIMPLE AND RAPID TENDERING** to ensure strong competition from committed industry players.
- ⚙️ **FULLY DEVELOPED TEMPLATES** of bankable project documents that can speed up negotiation and financing.
- ⚙️ **COMPETITIVE FINANCING AND INSURANCE** attached to the tender and available to all bidders.
- ⚙️ **RISK MANAGEMENT AND CREDIT ENHANCEMENT PRODUCTS** to lower financing costs and tariffs.










A One Stop Shop for Solar Power

The World Bank Group has a long track record in the power sector. **IFC** is experienced in developing bankable power projects and has a substantial track record in both tendering and financing solar plants. The **World Bank** supports client country governments with financing and advice to extend access to electricity, expand least-cost generation, create sustainable regulation and leverage the private sector. **MIGA** provides a range of political risk insurance products to attract private capital into emerging markets.



CHEAPER SOLAR

Cost per kWh of electricity from solar power:

UAE		3¢
Mexico		3.9¢
Peru		4.8¢
Zambia		6¢
Chile		6.5¢
UK		6.9¢
India		7.6¢
Germany		8.7¢
France		9.5¢



Zambia's cost is fixed, and won't rise with inflation as most others will.

FASTER SOLAR

Time from start of procurement to start of first construction:

Scaling Solar model		1 year
Zambia		1 year
South Africa		1.5 years
Namibia		3 years
Ghana		5 years
Mali		5.5 years
Kenya		6.5 years
Burkina Faso		7.5 years

BETTER SOLAR

Developers that have bid on Scaling Solar tenders include:



The Benefits

Benefits to Governments and Utilities

- ⚙️ **SPEED:** Templates for all processes and documents enable rapid preparation, tendering and financial close.
- ⚙️ **CERTAINTY:** Balanced, bankable documents that can be offered to bidders on a non-negotiable basis with the comfort of pre-approved financing available to all suitable bidders.
- ⚙️ **LOW COSTS:** Tenders designed to attract competition among top-tier investors and minimize resulting tariffs.

Benefits to Project Developers and Investors

- ⚙️ **MARKET CREATION:** Consistent tendering and bankable documentation will open up regional opportunities for qualified developers looking for new markets.
- ⚙️ **REDUCED DEVELOPMENT TIME AND COSTS:** Technical diligence and approval requirements in place. Set of bankable documents and preapproved financing.
- ⚙️ **A LEVEL PLAYING FIELD:** Clear and transparent award process allowing developers and investors to compete on the basis of lowest tariffs and long-term commitment.

Benefits to International Donors and Development Partners

- ⚙️ **REACH:** Support to multiple low-income, fragile and conflict-affected states to achieve energy security and sustainable low-carbon growth.
- ⚙️ **LEVERAGE:** Donor support will leverage significant amounts of private capital through transparent, competitive tenders.
- ⚙️ **IMPACT:** Rapid delivery of low-cost, sustainable electricity, helping African countries meet urgent needs.

The Process

Solar generation can be achieved within **two years** of engaging Scaling Solar advisers

8 months → 6 months → 10 months →

1 PROJECT PREPARATION

- ⚙️ Technical and economic analysis
- ⚙️ Site investigation
- ⚙️ Legal & regulatory analysis

2 BID PREPARATION

- ⚙️ Localization of tender and project documents
- ⚙️ Attachment of financing, insurance, and credit enhancement

3 TENDER PROCESS & AWARD

- ⚙️ Request for qualification
- ⚙️ Bidder consultation
- ⚙️ Request for proposals
- ⚙️ Proposal review and award
- ⚙️ Signing of project documents

4 FINANCIAL CLOSE

- ⚙️ Finalization of contracts
- ⚙️ Final project approvals
- ⚙️ Finalization of loan agreements, insurance, and risk management

5 CONSTRUCTION & OPERATION

- ⚙️ Construction
- ⚙️ Commissioning
- ⚙️ Operations



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For more information, visit www.scalingsolar.org

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