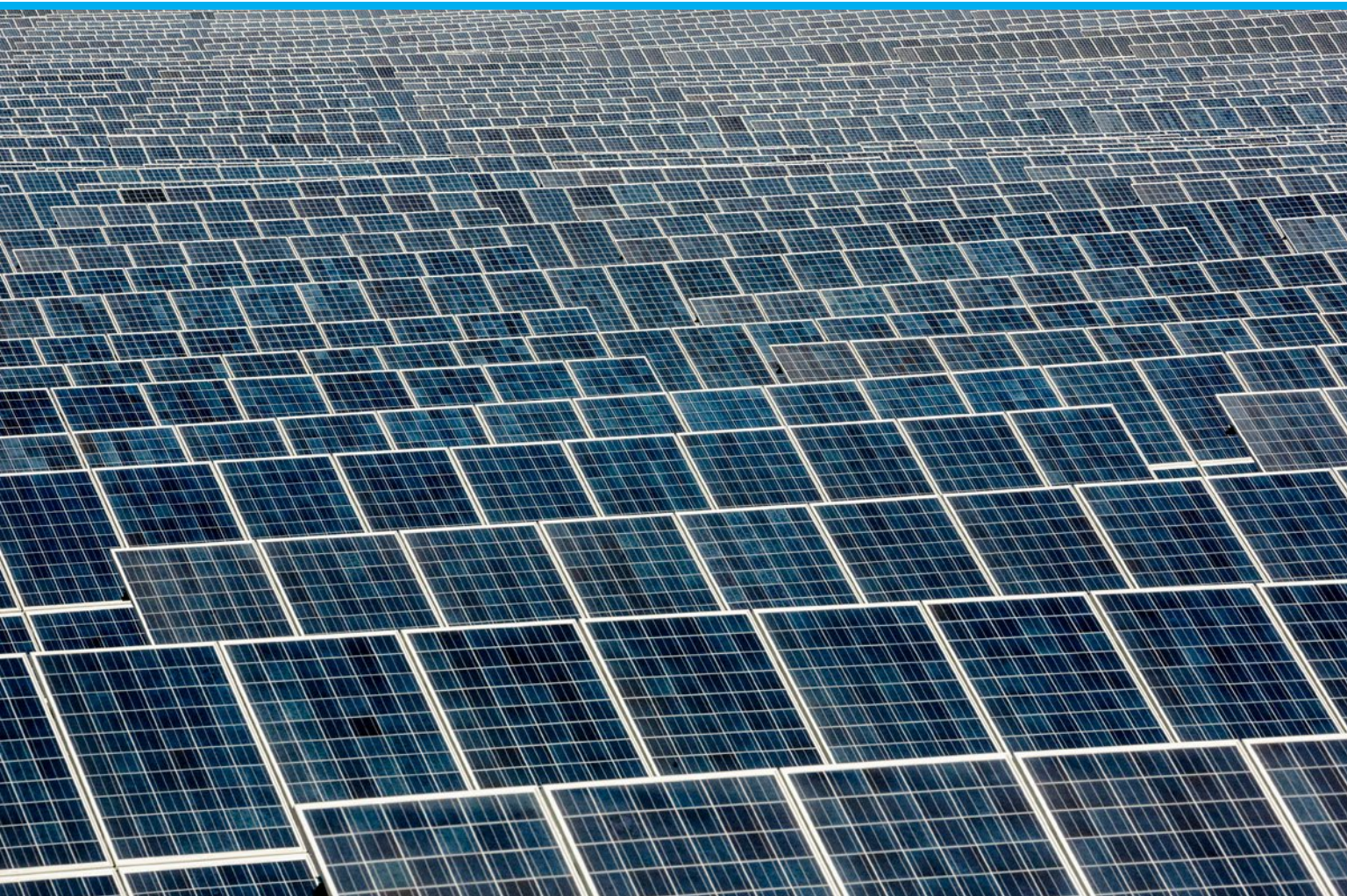


Scaling Solar



AN INNOVATION OF  
WORLD BANK GROUP



# Unlocking Private Investment in Large-Scale Solar Power

# The Challenge

Solar power has enormous potential as a quick-to-build electricity source in emerging markets, where needs are great. It is also increasingly affordable—the cost of solar photovoltaic technology has fallen more than 80% in the past six years. Still, many countries have struggled to develop utility-scale solar plants due to 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. This “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 eliminate negotiation.
- ⚙️ **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.

Alex Lang

## 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.



# The Benefits

## CHEAPER SOLAR

Cost per kWh of electricity from solar power:

UAE	3¢
Mexico	3.9¢
Peru	4.8¢
Scaling Solar Model	6¢
Chile	6.5¢
UK	6.9¢
India	7.6¢
Germany	8.7¢
France	9.5¢
Uganda	16.4¢
Ghana	18.2¢

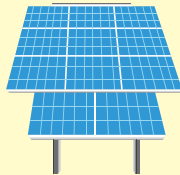


Zambia's cost is fixed: it won't rise with inflation as most others will.

## FASTER SOLAR

Time from start of procurement to start of first construction:

Scaling Solar: Zambia	1 year
South Africa	2 years
Namibia	3 years
Ghana	5 years
Mali	5.5 years
Kenya	6.5 years
Burkina Faso	7 years



## BETTER SOLAR

Developers that have participated in Scaling Solar tenders include:



## 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 in as little as **two years** of engaging Scaling Solar

0 ————— 2 Years

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



Bart Speelman

IN PARTNERSHIP WITH:



 Ministry of Foreign Affairs of the Netherlands



 Ministry of Foreign Affairs of Denmark



UK's Department for International Development

DevCo is part of  
 Private Infrastructure Development Group

**Scaling Solar**



For more information, visit [www.scalingsolar.org](http://www.scalingsolar.org)

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