

New French fund with €87.5m targets African solar development

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27 Feb 2023

A new investment fund with €87.5m (\$92.63m) will finance solar power production across Africa, with a focus on West and Central Africa, French fund manager RGreen Invest and investment adviser Echosys Invest said on Friday, 24 February.



Source: Reuters/Esa Alexander

The Afrigreen Debt Impact Fund's first closing will finance on- and off-grid solar power plants for small- and medium-sized commercial and industrial consumers across the continent, the statement said.

The project aims to provide direct lending and asset-based debt facilities for regional and international developers and African commercial and industrial companies to develop solar infrastructure.

The groups are looking to have a portfolio of 20 to 30 investments, with the aim of meeting long-term debt financing needs of between €10 and €15m, with an average of around €5m over eight to ten years, the statement said.



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Long-term local currency financing in Ghana and Nigeria

The fund also includes and offers long-term local currency financing in Ghana and Nigeria with support from the International Development Association's Private Sector Window Local Currency Facility.

The funds will measure impact targets in terms of megawatts (MW) installed, megawatt-hours (MWh) produced, tonnes of CO₂ emissions and litres of fuel avoided, and a number of companies directly or indirectly accessing new financing channels, it said.

The impact will also be measured by the number of commercial and industrial companies able to upgrade their power generation facilities and enhance their efficiency.

EIB and IFC commit to closing the first funding round

RGreen Invest and Echosys Invest said that the first closing included commitments from the European Investment Bank (EIB) and the International Finance Corporation (IFC).

French banks Societe Generale and BNP Paribas completed the first round of funding, the statement said.

The group is aiming to raise a total of €100m from development finance institutions and private investors.

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