

SCALING SOLAR DELIVERS LOW-COST CLEAN ENERGY FOR ZAMBIA



Adding power capacity is a matter of urgency in [Zambia](#), where only one fifth of the population has access to electricity and two years of drought have crippled existing hydropower facilities, causing a national electricity crisis.

It was in this context that the southern African country signed up to try Scaling Solar, a [World Bank Group](#) program designed to make it easier for governments to procure solar power quickly and at low cost through competitive tendering and pre-set financing, insurance products, and risk products.

The results of the first auction, which took place in May, have surpassed even the most optimistic expectations, with seven of the world's leading renewables developers competing for the opportunity to build Zambia's first large-scale solar plants.

The winning bids were for just 6.02 cents per kilowatt hour and 7.84 cents per kilowatt hour—the lowest prices for solar power to date in Africa, and among the lowest recorded anywhere in the world.

“This is a tremendous result for Zambia and for Scaling Solar, which has proved itself as a vehicle to open up new markets for clean energy,” said Philippe Le Houérou, IFC’s Chief Executive Officer and Executive Vice President. “It is now possible for governments across sub-Saharan Africa to look first to solar power as a solution for inexpensive, quick-to-build power—something unimaginable outside of South Africa until now.”

Because the 6-cent Zambia tariff is fixed for 25 years and won’t rise with inflation, it represents about 4.7 cents per kilowatt hour over the life of the project—on par with recent auctions in Peru and Mexico.

Scaling Solar has also delivered on its promise of speed: Zambia’s results come just nine months after the government first engaged IFC to advise on the transaction. The winning bidders—Neoen/First Solar and Enel—are expected to reach financial close on the projects within three months and complete construction a year later. This is especially critical in Zambia, where blackouts happen daily. The two new solar power plants will increase the country’s available generating capacity by 5 percent and will also help to restore water levels in its dams.

Zambia has already committed to a second round of Scaling Solar tendering, and Senegal and Madagascar have also signed up. Given growing interest in the program, Scaling Solar is now targeting developing 1 gigawatt of solar power in the next three years. At the tariffs recorded in Zambia, this would provide African consumers with more than \$7 billion in savings compared to oil-based power, which costs about 20 cents per kilowatt hour.

Scaling Solar has financing support from USAID’s Power Africa, the Ministry of Foreign Affairs of the Netherlands, the Ministry of Foreign Affairs of Denmark, and the Infrastructure Development Collaboration Partnership Fund (DevCo). For more information, visit www.scalingsolar.org.

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