IsDB Experience in Off-grid RE Projects

International Off-grid RE Conference

Project Facilitation and Funding Opportunities for RE Projects

31st October 2018
Islamic Development Bank

- Multilateral Development Bank

- Established in 1975 (22 Member Countries)

- Currently Part of IsDB Group (6 entities) with 57 Member Countries – HQ in Jeddah

- Foster socio-economic development in Member Countries through offering Development financing (public & private) with the aim of alleviating poverty

- Compliance with Sharia Principles
Islamic Development Bank Group – Key Facts

• Inception – end-2017: US$ 128 billion

• Energy Sector: US$ 46 billion (Trade and Project Finance)

• 10 Year Strategy 2016-2025: Basic infrastructure provision to 290 million people

• P5P 2017-2022: Basic infrastructure provision to 150 million people
Financing for Completed Projects by Sectors in 2017

- **Agriculture**: 8 projects, $642.5 million approved, $603 million disbursed, $194.6 million co-financed, $837.1 million total cost.
- **Education**: 19 projects, $510.9 million approved, $456 million disbursed, $76.4 million co-financed, $587.4 million total cost.
- **Energy**: 16 projects, $2,367.2 million approved, $1,965 million disbursed, $5,284.7 million co-financed, $7,652.0 million total cost.
- **Health**: 8 projects, $261.3 million approved, $210 million disbursed, $141.2 million co-financed, $402.6 million total cost.
- **Information & Communications**: 4 projects, $128.9 million approved, $114 million disbursed, $64.2 million co-financed, $193.0 million total cost.
- **Transportation**: 13 projects, $1,469.9 million approved, $1,138 million disbursed, $3,191.9 million co-financed, $4,661.8 million total cost.
- **Water, Sanitation & Urban Services**: 5 projects, $644.0 million approved, $568 million disbursed, $368.1 million co-financed, $1,012.1 million total cost.

Total: 77 projects, $6,176.7 million approved, $5,202 million disbursed, $9,553.1 million co-financed, $15,729.8 million total cost.
The Energy Portfolio – (inception – 2017)

- Conventional Energy: 31%
- Efficiency: 21%
- T&D: 29%
- RE: 12%
- ICT: 3%
- Other: 4%
The Energy Policy Framework for Empowerment and Prosperity

IsDB Energy Sector Policy

SDG 7 Targets
- Access
- Renewable Energy
- Energy Efficiently
- Knowledge

Pillars
- Private Sector
- Innovative Financing
- Regional Integration
- Building Partnership

Enablers
Off-grid Renewable Energy – IsDB Experience

• 433 million people lacked electricity access in IsDB MCs (2017)

• 25% of IsDB MCs population

• +75% in Rural Areas

• Launched Renewable Energy for Poverty Reduction Program (REPoR) in 2014 – main objectives:
  • Improve the rural electrification rate in the IsDB MCs
  • Enhance the affordability of electricity access
  • Support the capacity development
  • Financing Envelope: US$ 180 million (US$125 million IsDB; US$55 million DPs and Governments)
REPoR Program – IsDB Off-grid RE Experience

• Financing achieved US$301 (US$90 from IsDBG and US$211 from DPs and Governments)

• Outputs (Burkina Faso, Chad, Senegal, Mali and Afghanistan):
  • 40,000 households connections,
  • 26.5 MW of generation capacity, 909 km of distribution lines,
  • 1136 public services (schools, health clinics, community centers) connections,
  • Electricity access to 383 villages
Other means to Support Off-grid RE

• Exploring a partnership with a Crowdfund that aims at providing Financing to SMEs distributing SHS to rural households:
  
  • Euros 1-5 million: co-fund with the crowd on 1st loss tranche basis to attract more capital investments
  • Mid-term: Debt-guarantee to partially cover crowd investors principals

• Open to explore other means of interventions such as Results-Based Financing etc.

• Establish and leverage on partnerships focusing on Off-grid initiatives and co-financing opportunities with DPs
Thank You