

Solar energy policy ouagadougou

The construction of a solar PV plant in Burkina Faso is one of the country's first independent power producer projects; is set to be accelerated after receiving a concessional financing package.

Burkina Faso is one of five priority countries under the African Development Bank's (AfDB) Desert-to-Power initiative, which aims to generate 10GW of solar power across 11 Sahelian countries by 2030.

Burkina Faso gets most of its electricity from biofuels like charcoal and wood while oil products account for one-third of the total energy supply, says the International Energy Agency (IEA).

In terms of the solar plant, the AfDB confirmed that it has approved a EUR6 million (around \$6.7m) concessional financing package from the Sustainable Energy Fund for Africa (SEFA), a special multi-donor fund managed by the Bank.

The AfDB said this project stands as one of the first independent power producers (IPPs) in Burkina Faso and has secured both senior and subordinated loans. This is along with a 25-year Power Purchase Agreement (PPA) with the Soci t  Nationale d' lectricit  du Burkina Faso (SONABEL).

Through concessional financing, SEFA helped restructure the financial arrangements to absorb the pandemic-related cost increases, ensuring the project's viability and preserving the originally agreed structure with the Government of Burkina Faso, thereby contributing to the country's energy security," said the AfDB.

Under the SEFA Programme, a EUR2.5m (around \$2.7m) senior concessional loan and a EUR3.5m (around \$3.9m) reimbursable grant have been provided through its concessional finance facility.

SEFA's involvement has been instrumental in unlocking additional financing from the Dutch entrepreneurial development bank, FMO, including subordinated and senior loans.

These funds will be disbursed to D doukou Solaire SARL, the project company jointly developed by Qair (a European independent renewable energy company) which is responsible for managing the project.

As part of the Desert-to-Power initiative, the project is expected to contribute to energy security, diversification of the energy mix, reduced electricity costs, and increased national electrification rates.

By backing projects like this, we are making tangible strides toward electrifying the Sahel, bolstering energy security, and improving the lives of millions," said Dr Daniel Schroth, the Director of the Renewable Energy and Energy Efficiency Department at the AfDB.



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