

Cover Page for CTF Program Approval Request ¹			
1. Country/Region	<i>CIF countries across Africa and LAC regions, with initial pipeline in some of following countries: Burkina Faso, Egypt, Mozambique, Rwanda, and Uganda</i>	2. CIF Project ID#	(CIF AU will assign ID.)
3. Project/Program Title	Utility-Scale Solar PV Sub-Program: Stage 2		
4. Terms and Amount Requested in million USD equivalent	Public sector – n/a		
	Private sector Investment – USD 34.25 million Implementation and supervision budget – USD 0.75 million (Annex A) Total amount – USD 35.0 million		
5. Implementing MDB(s)	<i>International Finance Corporation (“IFC”)</i>		
6. National Implementing Agency	<i>Private Sector</i>		
7. MDB Focal Point	<i>Joyita Mukherjee, CIF coordinator (jmukherjee1@ifc.org)</i> <i>Andrey Shlyakhtenko, CTF coordinator (ashlyakhtenko@ifc.org)</i>		
8. Brief Description of Project/Program (including objectives and expected outcomes)²			

¹ This cover page is to be completed and submitted together with the MDB project/program document when requesting CTF funding approval by the Trust Fund Committee.

² Please provide the information in the cover page or indicate page/section numbers in the accompanying project/program document where such information can be found.

IFC's *Utility Scale Solar PV Sub-Program* (the "*Sub-Program*") is part of the *CTF Utility-Scale Renewable Energy: Solar Photovoltaic program* (with an allocation of USD 95 million), under the *CTF Dedicated Private Sector Programs (DPSP) – Phase II*, endorsed by the CTF Trust Fund Committee (TFC) in June 2014. *Stage 1* of the *Sub-Program* (approved by the TFC in September 2014) provided USD 20 million to support USD 146 million, 82 MW solar PV project pipeline in Honduras – the largest solar power development in Central America to date. The plants are now under construction and on track to meet the expected generation and GHG savings targets.

This Proposal forms *Stage 2* of the IFC's *Sub-Program* and aims to capitalize on the successful implementation of *Stage 1* in Honduras by broadening solar PV development to a larger pool of countries across Africa, and Latin America and Caribbean (LAC). Eligible countries for participation in the *Sub-Program* will include all CIF countries in Africa (except South Africa) and those countries from the LAC region, where the utility-scale solar PV sector has not yet reached commercial viability (countries like Chile and Mexico are, therefore, excluded), with initial indicative pipeline of projects including Burkina Faso, Egypt, Mozambique, Rwanda, and Uganda. *Stage 2* will largely maintain the same approaches and investment structures, as were laid out in the original IFC's *Sub-Program*.

As many African and LAC countries feature strong solar irradiance resources, solar PV technology is emerging as a potential to transform energy mixes, partially filling the need for significant amounts of new energy infrastructure to continue driving economic growth. Given that utility-scale solar PV can be deployed in a rapid (large facilities can be constructed within 3-6 months), flexible, and scalable manner, developers and investors continue exhibiting strong interest in pursuing investment opportunities. Yet, multiple challenges – especially first-mover disadvantages and non-existent local finance – still prevent private sector investments from flowing. Thus, apart from few leading markets, utility-scale solar PV is virtually non-existent in CIF countries in Africa and LAC. In fact, 30 of the regions' CIF countries (11 in LAC and 19 in Africa) are home to only 315 MW of solar PV capacity, or the equivalent of 3-6 large-scale solar PV plants. These countries, which account for approximately 30% of the world's land area, represent only 0.2% of global solar PV capacity.

By supporting several first-mover private sector investments in utility-scale solar PV plants in up to three additional countries, the *Sub-Program* will (a) generate a demonstration effect and help create a track record of the successful financing of solar PV projects; (b) support emerging regulatory frameworks and demonstrate bankability of new PPAs; and (c) stimulate the entry of commercial lenders into new solar PV markets. If successful, the *Stage 2* of the *Sub-Program* will directly support mobilizing of up to USD 140 million towards up to 90 MW of installed solar PV capacity and create conditions for follow-on projects leading to up to four-times larger investments.

The *Sub-Program* will continue to deliver new RE capacity that will increase energy supply, improve access to sustainable electricity, displace carbon-intensive generation, and reduce import of fossil fuels. As solar PV generation typically matches the demand curve, the new capacity may also allow utilities to shift hydropower resources from daytime to evening use, reducing the need for often costly peaking power resources, like diesel. Increased use of solar PV in the targeted regions may improve security of energy supply and reduce reliance on imported fossil fuels, further lowering generation costs and improving financial positions of associated utilities.

For more detailed description of the *Sub-Program*, objectives, and expected outcomes please refer to attached *Stage 2* of *Sub-Program* proposal document.

9. Consistency with CTF Investment Criteria³

For Private Sector Projects/Programs:

- (1) Potential GHG Emissions Savings
Please see page 9, section 2.1
- (2) Cost-effectiveness
Please see page 9, section 2.2
- (3) Demonstration Potential at Scale
Please see page 10, section 2.3
- (4) Development Impact / Co-benefits
Please see page 10, section 2.4
- (5) Implementation Potential
Please see page 10, section 2.5
- (6) Additional Costs and Risk Premium
Please see page 11, section 2.6
- (7) Financial Sustainability
Please see page 12, section 2.7
- (8) Effective Utilization of Concessional Finance
Please see page 12, section 2.8
- (9) Mitigation of Market Distortions
Please see page 12, section 2.9
- (10) Risks
Please see page 12, section 2.10

10. Stakeholder Engagement⁴

Stakeholder engagement will take place at the sub-project development stage and will follow the IFC rules and procedures.

11. Gender Considerations⁵

Gender aspects will be given thorough consideration and addressed at the sub-project level depending on the issues and opportunities that are identified at the appraisal stage for each sub-project.

12. Co-financing Indicators and Targets (consistent with results framework)

Core Indicators	Anticipated Impact (by Dec 2018 – 4 years)
DIRECT IMPACTS	
(a) Increased supply of RE	90 MW
(b) <i>GHG emissions avoided</i>	70,000 tCO ₂ e over a representative year; 1,400,000 tCO ₂ e over the life of sub-projects
(c) Incremental financing leveraged (of all, non-CTF parties)	USD 140.0 million
INDIRECT IMPACTS	
(a) <i>Increased supply of RE</i>	360 MW
(b) <i>GHG emissions avoided</i>	280,000 tCO ₂ e over a representative year; 5,600,000 tCO ₂ e over the life
(c) Jobs created	n/a

13. Co-financing

	Please specify as appropriate	Amount (in million USD)
• Government	<i>n/a</i>	<i>n/a</i>
• MDB	<i>IFC</i>	<i>35-50</i>

³ Same as footnote 2.

⁴ Same as footnote 2.

⁵ Same as footnote 2.

<ul style="list-style-type: none"> Private Sector (including project sponsors) 	<i>Other private sector lenders and project sponsors</i>	90-105
<ul style="list-style-type: none"> Bilateral 	<i>TBD</i>	<i>TBD</i>
<ul style="list-style-type: none"> Others 	<i>TBD</i>	<i>TBD</i>
Total	<i>Up to USD 140.0 million</i>	
14. Expected Date of MDB Approval		
<i>It is expected that the first investment under the Program will reach IFC Board approval within 11 months of the Program approval.</i>		