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**CLIMATE**  
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 **IFC**

- ✓ Flexible, simple and innovative
- ✓ Pre-financed solar PV & battery storage
- ✓ Affordable and reliable power throughout Africa



# Improving the IPP Model

Key characteristics	IPP	Release
Plant size	Fixed, typically for a period of 25 years	Can be scaled up or down
Contract duration	Typically, 25 years	15 years contract that can be terminated after 5 years
Termination	Pay back of debt + equity + penalty in case of early termination	Only demobilisation fee to be paid (30kUS/MWp) if terminated after 5 years
Guarantee requirement	Sovereign guarantee covering full contract issued by State	Direct guarantee provided by IDA PSW benefiting the project company - no indemnification required
Impact on public finance	Long term commitment and sovereign guarantee has a significant impact on public finance (contingent debt)	Limited
Time to financial close	Project financing (long negotiations, many contracts); Complex process involving stakeholders' due diligences	No financing conditions; already secured
Price	Fixed tariff with inflation adjustment for full contract term	Upfront fee; fixed and predictable rental in USD, decreasing every 5 years; plant transferred for free after 15 years

Contact us for  
more details

