

Green Finance for Off-Grid Rural Electrification in Nigeria



Financial Close
Dec. 2023



Under
Construction



N755m Private
Capital Mobilised



3,597 Number of
Connections



868 Jobs to be
Created



352.15 Tonnes of
GHG Emissions to
be reduced



Green
Certified

Project Description

The project will construct solar-hybrid mini grid with a total capacity of 335kWp in seven communities across Edo and Ondo State, the mini grid will provide energy access to about 3,597 households and small businesses. Construction is planned to commence in 2024. ACOB Lighting Technology Limited is a renewable energy company founded in 2016 to provide sustainable electricity to underserved and unserved communities. The Company also offers Engineering, Procurement and Construction (EPC) services for high-density energy-efficient LED streetlights and electrification infrastructure, solar mini-grids solutions and solar home systems.

S/N	Location	PV Size (kWp)	Battery Size (kW)	Mini Grid Type	Number of Connections
1	Sule, Abapanu & Bondu Community, Edo State	60	192	Isolated	762
2	Ajgunle, Edo State	30	192	Isolated	456
3	Mile 13, Ondo State	55	192	Isolated	520
4	Otu Costain, Ondo state	70	192	Isolated	750
5	Adaja, Ondo State	40	126	Isolated	397
6	Orotedo, Ondo State	40	126	Isolated	344
7	Bolorunduro Adewole, Ondo State	40	126	Isolated	368
		335	1,146		3,597



Project Financing Structure

The project was financed through a blended instrument, with the UK funded Climate Finance Blending Facility enabling a 7-year fixed rate local currency debt financing for the project by investing in the subordinated debt tranche. The project is certified blended local currency green debt issue for a distributed renewable energy project in Nigeria.

The Facility's subordinated first loss capital helped de-risk and reduce the capital cost of the project by unlocking InfraCredit's AAA rated guaranteed senior green bonds that crowded in matching investments from 7 domestic institutional investors in a solar mini-grid project for unserved communities.



NUMBER OF SITES

7



NUMBER OF STATES

2



JOBS TO BE CREATED

868



SOLAR PV CAPACITY

335kWp



TONNES OF GHG EMISSIONS TO BE REDUCED

352.15

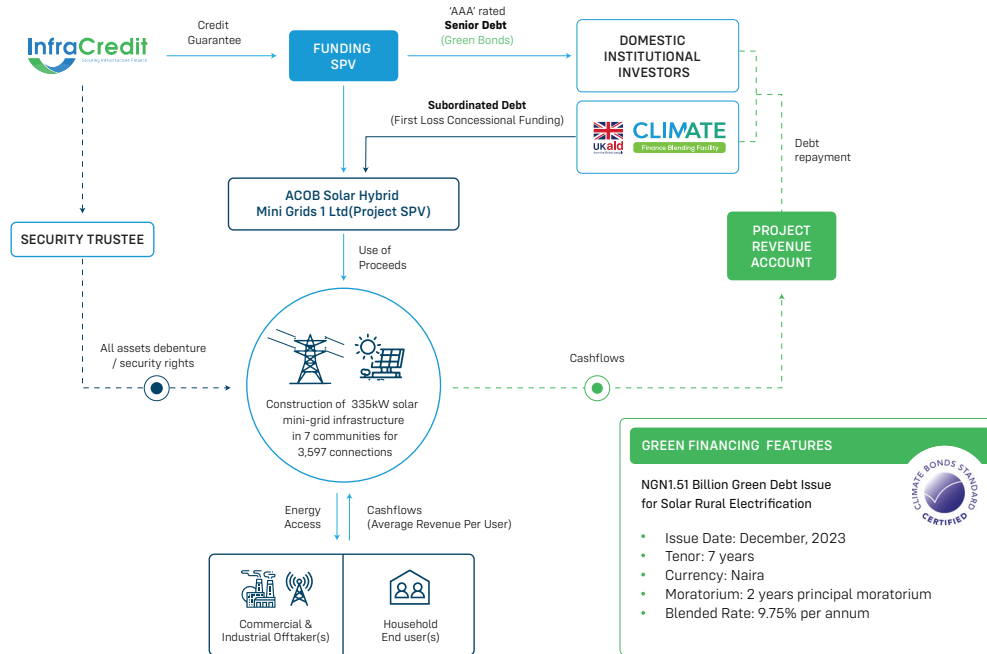


NUMBER OF DOMESTIC INSTITUTIONAL INVESTORS

7



Illustrative Transaction Structure



Domestic Institutional Investors



Expected Impact

The project on completion will electrify up to 3,597 unserved households and small businesses, create up to 868 temporary and permanent jobs whilst enhancing access to renewable energy for productive uses, and avoid 352.15tCO₂e of GHG emissions.

The nominated projects & assets conform to the Climate Bond Standard Solar Sector Criteria and the financing has been labeled and certified 'Green' by the Climate Bonds Initiative.

The 7 hybrid-solar mini-grids will have environmental benefits of climate change mitigation, energy savings and greenhouse gas reduction and simultaneously have a positive direct contribution to the United Nations Sustainable Development Goals (SDGs) 7, 8, 9, 11, 13 and 17 as identified in the Green Bond Framework.



Rating Agency



An Affiliate of Moody's Investors Service

Green Verifier



Research, Credit Ratings, Credit Risk Management

fsdafrika funded the green certification costs for the project through its technical assistance facility for climate aligned infrastructure bonds established with InfraCredit.

in [linkedin.com/company/InfraCredit](https://www.linkedin.com/company/InfraCredit)

 info@infracredit.ng

 [@InfraCredit](https://twitter.com/InfraCredit)

 www.infracredit.ng

 vimeo.com/InfraCredit

 youtube.com/InfraCredit



For more information, please visit:
www.infracredit.ng/climate-facility

Unlocking Long-Term Local Currency Climate Finance for Off-Grid Energy Access in Nigeria

Co-Financing Partner



Anchor Funder



Certified

