



Prado Power Energy Limited

Green Finance for Off-Grid Rural Electrification in Nigeria



Financial Close
Oct. 2024



Under Construction



N1.95m Private Capital Mobilised



850KW Capacity



15,801 Number of Connections



740 Jobs to be Created



893.53 Tonnes of GHG emissions to be reduced per year



Green Certified

Project Description

The project will construct solar-hybrid mini grid with a total capacity 850kWp in four communities without grid access across Akwa-Ibom and Benue State. The mini grids are expected to connect about 15,801 households, small businesses and agro-processors. The project is expected to commence commercial operations by 2025. Prado Power Limited is a renewable energy company founded in 2014 to provide electricity access to unserved and underserved communities in Nigeria. The Company also provides Engineering, Procurement & Construction (EPC) and consultancy services on renewable energy projects.

| S/N | Location | PV Size (kW) | Mini Grid Type | Number of Connections |
|-----|--------------------------------|--------------|----------------|-----------------------|
| 1 | Afia, Benue State | 400 | Isolated | 8,477 |
| 2 | Gbeji, Benue State | 300 | Isolated | 5,346 |
| 3 | Dyom, Benue State | 80 | Isolated | 1,278 |
| 4 | Iwofe Okopedi, Akwa Ibom state | 70 | Isolated | 700 |
| | | 526.1 | | 7,711 |

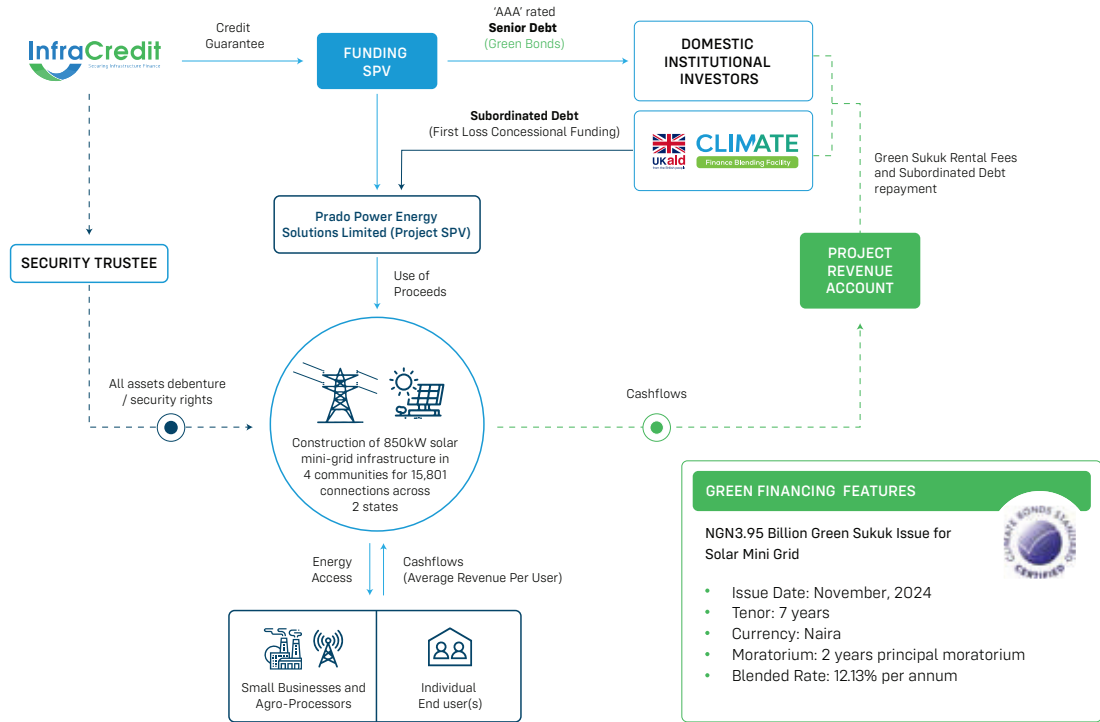


Project Financing Structure

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, making it the first ever certified blended local currency green sukuk for a solar minigrid 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 sukuk that crowded in matching investments from 12 domestic institutional investors in a solar mini-grid project for unserved market.

Illustrative Transaction Structure



Domestic Institutional Investors



Expected Impact

The project on completion will electrify up to 15,801 unserved households and small businesses, create up to 240 direct jobs and 500 indirect jobs whilst enhancing access to renewable energy for productive uses, and avoid 893.53 tonnes of GHG emissions per year.

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 4 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 **GCR RATINGS**

An Affiliate of Moody's Investors Service

Green Verifier **Agusto&Co.**
Research, Credit Ratings, Credit Risk Management

Supported by

REA
RURAL ELECTRIFICATION AGENCY
ENERGY & ENVIRONMENTAL ECONOMY

THE WORLD BANK



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