
For Immediate Release

U.S. International Development Finance Corporation (DFC) Commits a USD 40m Facility to GreenCo to Drive Renewable Energy Investment in Southern Africa

Harnessing Climate Sector Finance for Transformative Energy Projects

Lusaka, Zambia October 9th 2024- Africa GreenCo Group (GreenCo), an energy aggregator and trader in Southern Africa, has partnered with the **U.S. International Development Finance Corporation (DFC)** to promote increased renewable energy demand and a stable renewable energy market across Southern Africa. This strategic collaboration will help mobilize climate sector finance for critical renewable energy infrastructure in countries including Zambia, South Africa and Namibia, where GreenCo currently operates. The commitment of this USD 40 million facility will enhance GreenCo's creditworthiness by providing a backstop to GreenCo's payment obligations to private independent power projects (**IPPs**), enabling GreenCo to position itself as a credit-worthy energy aggregator and trader, and an alternative for IPPs to public utilities suffering from financial and operational strain.

GreenCo's innovative approach to aggregating renewable energy-generated power and trading it in national markets, as well as the **Southern African Power Pool (SAPP)**, aligns with DFC's mission to drive sustainable economic growth through private sector engagement.

DFC's investment is part of its broader mandate to combat the effects of climate change by supporting renewable energy solutions in developing markets. This collaboration also reflects DFC's strategic focus on leveraging private sector capital to drive development impact, particularly in key sectors, such as energy. By financing renewable energy initiatives, DFC aims to help build resilient and clean energy infrastructure in Africa, a region disproportionately affected by the impacts of climate change.

"DFC's involvement will further enhance our operations and enable us to scale our capacity to provide clean, affordable energy to more people across Southern Africa. With DFC's facility, GreenCo will be able to access USD 50m of Liquidity Buffer Capacity that will back over 350MW of renewable energy capacity,"** said Pug Bennet, GreenCo's Chief Investment Officer. **"Together, we can help address the region's growing demand for energy while supporting global climate goals."

DFC, has made energy security a top priority. This partnership with GreenCo is an example of how DFC is leveraging its full suite of tools to drive impactful climate finance. **DFC's Vice President of Energy Erica Ehst** highlighted the significance of the partnership: ***"DFC is committed to supporting projects that create sustainable and scalable impacts. Our financial support to GreenCo is part of our ongoing effort to help build clean energy economies in Africa and support the region's transition to a net-zero future."***

DFC has prioritized Africa in its climate finance strategy, investing in catalytic projects that provide long-term solutions to climate-related challenges. By supporting the energy sector in low-income and lower-middle-income countries, DFC aims to expand economic opportunity, reduce poverty, and help countries meet their climate targets.

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GREENCO

About GreenCo:

Backed by shareholders including IFU (the Danish Investment Fund for Developing Countries) and InfraCo Africa, a member of the Private Infrastructure Development Group (PIDG), GreenCo has established itself as a key player in Southern Africa’s renewable energy sector. Through its role as an energy aggregator and trader, GreenCo enables private sector investment, while simultaneously strengthening the renewable energy market across Southern Africa and improving regional energy security. The company aggregates power and then sells the renewable-generated power to utilities, private sector offtakers, national power trading markets, and on the SAPP.

GreenCo’s creditworthiness is supported by **GuarantCo**, another PIDG entity rated A- by Fitch, which mobilizes investment for infrastructure projects across Africa and Asia.

About DFC The U.S. International Development Finance Corporation (DFC) is America’s development finance institution. DFC partners with the private sector to finance solutions to the most critical challenges facing the developing world today. DFC’s investments help spur economic growth, create jobs, and improve standards of living, all while advancing U.S. foreign policy and development goals. For more information, visit www.dfc.gov.

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