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Sub-Saharan Africa's Largest Solar Project Reaches Financial Close

KNBEPC, a subsidiary of ZESCO Limited, achieves Financial Close on the largest solar PV project in sub-Saharan Africa (excluding South Africa)

\$71.5 million from Stanbic Bank Zambia, a member of the Standard Bank Group, backs 100MW Chisamba Solar PV Project under GreenCo PPA

Lusaka, Zambia 14th May 2025 – Zambia has reached a landmark milestone in its energy transition with the financial close of the 100MW Chisamba Solar PV Project, the largest grid-connected solar development in the country's history and the largest one in sub-Saharan Africa to date, outside of South Africa.

The project, developed by **Kariba North Bank Extension Power Corporation (KNBEPC)**, a wholly owned subsidiary of **ZESCO**, secured **\$71.5** million in commercial debt from **Stanbic Bank Zambia**, a member of the **Standard Bank Group**, with financing anchored by a 13-year Power Purchase Agreement (**PPA**) with GreenCo Power Services (**GreenCo**), a leading SADC and Zambian renewable energy trader. GreenCo will onward supply the energy to **First Quantum Minerals (FQM)**, Zambia's largest mining investor, under a separate Power Supply Agreement (**PSA**)—delivering firm, blended renewable power to support critical industrial operations.

The GreenCo PPA demonstrates that well-structured private offtake can unlock large-scale funding and de-risk project development, enabling financial close to be achieved without sovereign guarantees or government support. Under GreenCo's onward PSA with FQM, the solar energy generated by KNBEPC will be integrated into a firm baseload profile tailored to FQM's operational requirements. This is the second major GreenCo-facilitated transaction with ZESCO, Standard Bank Group, and FQM in six months—underlining the scalability and credibility of GreenCo's market model in Zambia's electricity supply industry.

The KNBEPC plant is fully grid-connected and will inject power into Zambia's national transmission system, significantly supplementing the volume of energy available to meet the country's commercial and residential needs. While this energy is contracted to FQM, it displaces energy that would otherwise have been delivered to FQM, freeing up such energy for delivery by ZESCO to other Zambian consumers. This structure thereby provides a direct boost to national energy availability, helping close the supply gap that drives load shedding. The transaction has been carefully structured without public borrowing or financial guarantees, whilst also meeting both rigorous local and international environmental and social standards, setting a new benchmark in Zambia's clean energy investment landscape.

The loan from Stanbic Bank Zambia is being provided directly to KNBEPC with no recourse to ZESCO. As such, the transaction delivers direct value to the public sector by enabling 100MW of new capacity to be added to the grid, without ZESCO assuming any financial obligations. ZESCO also receives improved transmission revenues through the Use-of-System Agreement with GreenCo and stronger grid stability. The GreenCo PPA enables KNBEPC to benefit from fully commercial financing for its project, allowing it to grow its track record and invest in more clean energy infrastructure—without needing support from the national budget. At the end of the GreenCo PPA, once all debt has been repaid, all of the power will be delivered to ZESCO.



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Unlike traditional procurement structures, which often rely on long-term government-backed agreements, this transaction delivers comparable tariffs under a shorter debt profile. This reduces refinancing risk and long-term exposure while accelerating the project's return on investment.

- **KNBEPC**, the project sponsor and developer, will deliver the 100MW generation facility, now fully financed and in construction.
- **GreenCo**, the anchor offtaker and architect of the transaction, negotiated both the PPA with KNBEPC and the PSA with FQM, and coordinated the use-of-system arrangements. While KNBEPC's solar generation is available during daylight hours, GreenCo ensures 24/7 baseload delivery to FQM by blending solar with other sources from within the Southern African Power Pool (**SAPP**) region. This approach delivers reliability at the meter—without passing price or availability risks on to ZESCO or the state.
- **Stanbic Bank Zambia**, the Mandated Lead arranger and sole lenders, provided \$71.5 million in debt financing—affirming their confidence in bankable, privately led renewable infrastructure and the Zambian energy sector.
- **ZESCO Limited**, Zambia's national utility, provides the transmission backbone and other services under Use-of-System and System Operations Agreements with GreenCo making sure that they are compensated appropriately.
- **Power China**, the EPC contractor, mobilised and started construction well ahead of financial close—demonstrating long-term commitment and belief in the transaction's success with commercial operations anticipated by June 2025.
- **First Quantum Minerals (FQM)** is the ultimate energy consumer. Through its PSA with GreenCo, FQM will receive clean, reliable power from the KNBEPC plant—supporting Zambia's industrial base while aligning with global sustainability goals.

Zambia continues to experience national load shedding due to reduced hydropower output. Once operational, the KNBEPC plant, located in Chisamba, will add urgently needed clean energy to the national grid and support energy security—without placing pressure on the public purse. The project also contributes to a more climate-resilient, diversified energy mix, aligned with Zambia's Integrated Resource Plan and international climate goals.

This transaction sets a new model in Zambia's energy sector—demonstrating how private-sector innovation can unlock large-scale investment in clean power, without requiring public guarantees. GreenCo's ability to absorb price volatility and offer liquidity support made the transaction bankable under a short, efficient debt structure.

Engineer Justin Loongo, Managing Director, ZESCO:

"This milestone reflects the value of strong partnerships. ZESCO is committed to supporting projects that deliver new capacity and stability to the national grid. The power that FQM will now receive from this new solar plant will free up an equivalent volume of ZESCO's existing supply, which we will redirect to serve domestic customers. In the midst of the current power challenges, this project is a clear example of how innovative collaboration is helping to relieve pressure on the grid and bring tangible benefits to the Zambian people."

Eng. Boyd Kanchela, CEO, KNBEPC:

"Reaching financial close on the largest solar project in Zambia's history is a proud moment for KNBEPC and the ZESCO Group. It shows what can be achieved when strong public institutions work together to mobilise commercial capital. This project proves that Zambian developers can lead from the front in delivering clean, reliable power at scale."



Wezi Gondwe, Managing Director, GreenCo Power Services Zambia:

"We are proud that GreenCo's offtake structure enabled financial close on Zambia's largest solar project. It is a testament to what is possible when the right commercial design meets serious partners committed to energy transformation. This is not private power bypassing the system—it is new power strengthening it."

Helen Lubamba, Executive Director Corporate and Investment Banking, Stanbic Bank Zambia:

"This transaction marks our largest renewable project financing in Zambia to date. It exemplifies our dedication to backing sustainable infrastructure and climate-smart development. With KNBE being a subsidiary of ZESCO, this transaction further supports ZESCO's commitment to diversifying its energy generation sources. Stanbic Bank Zambia are proud to be at the forefront of driving Zambia's goal of attaining energy resilience critical for the nation's growth."

Anthony Mukutuma, Director Zambia First Quantum Minerals:

"First Quantum Minerals' participation in this deal demonstrates the company's commitment to the growth of its operations and the mining industry in Zambia. Investment in energy and other infrastructure projects is critical for sustained growth and supply of critical transition minerals."



About GreenCo:

GreenCo has established itself as a key player in Southern Africa's renewable energy sector with operations in Zambia, Zimbabwe, Namibia and South Africa. 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**. Its shareholders include **IFU (the Danish Investment Fund for Developing Countries)** and **InfraCo Africa**, a member of the **Private Infrastructure Development Group (PIDG)**

For more information please see: <https://africagreenco.com/>