

“PPAs and Feed-in-Tariff incentives are a great way to launch the dynamic, attract investors and structure the market, but it is with a competitive environment that we will see a fall in energy production costs”

Exclusive interview with Jean-Jacques Ngono, Managing Partner Africa, FinerGreen, Côte d'Ivoire. At the upcoming Future Energy Central Africa in October, Mr Ngono is speaking on the topic of "How to make a project attractive and profitable for the private sector."



1) Let's start with some background on FinerGreen and your role there? What motivated you to start it?

FinerGreen is a financial advisory company, exclusively focused on renewable energy. We provide assistance to project developers in their fundraising processes, perform M&A transactions advisory, training and provide strategic advisory for all actors involved in the renewable energy sector.

The company is based in France and was founded in 2013. In the late 2015, I was approached by the founder, Damien Ricordeau, a friend and a classmate at the Paris Dauphine University. He expressed his wish to expand FinerGreen abroad, with a special interest for Africa, and asked me to partner in Africa and to run the African activity.

I was very excited and happy to join FinerGreen on this new challenge and be part of the international expansion.

Furthermore, this new focus set on emerging countries not only involves the energy transition, but also contributes to a sustainable economic development and poverty reduction through energy access.

2) Who are your partners?

FinerGreen is a team of 20 people across four offices (Paris, Abidjan, Rome, Singapore). In addition to our strong partnerships developed in Europe with private and public stakeholders in the renewable energy space, in Africa we partner with local developers, government bodies, local banks, DFIs and international institutions.

3) What are the projects that your organisation is involved in that you are most excited about currently?

We have a unique position in Africa where we can advise a renewable energy project from scratch and help it to reach bankability.

We are currently involved in many projects across East, Central and West Africa, covering all renewable energy technologies (Solar, Hydro, Biomass, Wind, etc.). At some point, we have a great exposure and expertise on Hydro and Biomass projects where it remains a huge untapped potential in Sub-Saharan Africa. We are also regularly sought out for strategic advisory missions.

We also advise industrial projects with a renewable component. We are currently advising a local developer in the pharmaceutical industry in Nigeria in order to set up a large plant powered by a rooftop PV installation. This kind of project helps to solve both the healthcare issue and the sustainable energy challenge.

4) Can you share some success stories?

FinerGreen has many success stories in France with more than €500 million financing raised on more than 700 renewable energy projects in only four years. We also advised large government bodies, such as BPI in France, and large private equity funds, such as Axa IM.

In Africa, where the activity started 1.5 years ago, in addition to many strategic advisory missions successfully performed, we plan to have 3-4 closings by the end of this year.

5) What in your view are the biggest challenges with regards to energy that the region is facing at the moment?

In order to really understand the importance of the energy in Africa, one should experience a drop in blood level. Energy is one of the key starting points when we talk about development, poverty reduction, industrialization and even to tackle terrorism.

But despite the huge potential, the region is still facing huge energy deficit for many reasons, including weak legislation, weak off-taking, lack of financing, lack of good project managers, etc. Energy access is probably the biggest hurdle Africa will have to overcome in this century, especially given the fast-growing population.

In short, the main challenge in the region is to solve the following question: How to adapt the region's legislation in order to attract more private investments for sustainable energy projects that meet both fast-growing demand (household and industry) and the environmental and social requirements?

Things are moving slowly in the right direction. It might take decades to meet this untapped demand.

6) And what is the power situation in Côte d'Ivoire in particular?

With 2166 MW installed capacity, the Ivorian energy sector is among the strongest and most developed in Western Africa. The country exports some of its electricity production to neighboring countries.

The energy mix is strongly based on fossil fuels (c.70%). As the demand was growing, especially since the end of the 90s, thermal generation took over hydroelectricity as the first source of power. The main dams that have provided most of the non-thermal electricity since the 70s have considerably aged and the generating capacity needs major renewal.

Côte d'Ivoire has set ambitious objectives (16% of renewable energy by 2030) during the COP21 in Paris, and is currently working on the legal framework that would enable it to meet these targets.

In particular, the country intends to capitalize on hydropower, solar, and biomass. The hydropower potential is still unexploited, and there are strong solar potentials, especially in the northern part of the country. And while Côte d'Ivoire has one of the largest biomass potential in Africa, the wind potential is limited and only a few regions to the west are suitable for wind power.

7) What is your vision for the energy sector in the region?

The legal frameworks are evolving in most African countries, and aim to create welcoming environments for project developers and IPPs.

PPAs and Feed-in-Tariff incentives are a great way to launch the dynamic, attract investors and structure the market, but it is with a competitive environment that we will see a fall in the energy production costs, resulting in more affordable electricity for the end users.

I expect micro-grids and individual generation units (such as Solar Home Systems) to play a major role in the African energy sector. They are the best medium-term solutions to electrify large territories despite the lack of costly infrastructures (energy grids, transmission lines, etc.).

8) You are speaking at the upcoming Future Energy Central Africa in October on the topic of “Case studies: How to make a project attractive and profitable for the private sector“ - what will be your message at the event?

Developing an energy project is a long, complex and time consuming process. In addition to understanding the local context well, it requires several skills, including technical, legal and financial. It is rare for any developers to gather all these competencies and, assuming that the developer holds technical skills, it needs a legal specialist and financial advisor from the start in order to get bankable documentation and reach the fund providers' requirements.

Unfortunately, most project developers don't value the need for advisory and waste a lot of time by making wrong decisions.

10) What are you most looking forward to at the event?

First of all, the most important thing is to share experiences with stakeholders. As a financial advisor of renewable energy projects, I look forward to meet new partners in order to help them finalize their projects.

11) Anything you would like to add?

I'm happy to attend that event in Central Africa and I hope it will be a value add for the region.

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