

# Political and Payment Risk Solutions for Renewable Energy Projects

ATIDI is Africa's multilateral trade & investment insurer. We support trade and investments by providing risk solutions via trade credit and political risk insurance, as well as the issuance of surety bonds.

With a developmental mandate, we aim at improving Africa's risk perception and attracting investments, in support of sovereign governments and the private sector.

ATIDI has an investment-grade rating of A from S&P and Moody's. This enhances the value of our policies with financial institutions and can help you access financing at better rates.

In the energy sector, we provide insurance cover against political risks and the risk of non-payment by sovereign, sub-sovereign and private counterparties.



A unique renewable energy facility for Africa that reduces liquidity risks and ensures the success of IPPs and ITPs.



The Regional Liquidity Support Facility (RLSF) is a blended guarantee instrument provided by ATIDI to renewable energy Independent Power Producers (IPPs) that sell the electricity generated by their projects to state-owned power utilities.

RLSF was created to help tackle climate change and attract investments by supporting renewable energy projects in ATIDI's member states. RLSF supports small and mid-scale renewable energy projects with an installed capacity of up to 100 MW, by protecting the IPPs against the risk of delayed payments by public offtakers; in turn, improving project bankability and ensuring that more projects reach financial close. Larger projects can be considered on a case by case basis.

RLSF was jointly launched by ATIDI and the KfW Development Bank in 2017; the Norwegian Agency for Development Cooperation (Norad) committed additional funding towards the initiative in 2022. IPPs, and similarly structured Independent Transmission Projects (ITPs), located in ATIDI member states that have signed a Memorandum of Understanding with ATIDI can benefit from RLSF cover.



Implemented by:  
**KFW**



## Political Risk/ Investment Insurance

In the energy sector, ATIDI provides Political Risk or Investment Insurance to Independent Power Projects (IPPs) and/ or Independent Transmission Projects (ITPs). Such insurance, which can be for the benefit of lenders and/or equity holders, can cover the following risk perils:

- Confiscation, Expropriation, Nationalization, and Deprivation (CEND);
- Currency Inconvertibility/ Transfer Restrictions;
- War and Civil Disturbance;
- Arbitral Award Default or Breach of Contract; and
- Embargo

ATIDI's ability to provide such political risk insurance cover is subject to the following:

1. The power plant or transmission line must be located in an ATIDI member state;
2. For grid-connected generation projects, the IPP must enter into contractual agreements with the state-owned power utility (such as a Power Purchase Agreement) and the host-government. The latter may take the form of an Implementation Agreement, Government Guarantee, Concession Agreement, or Letter of Support/ Comfort, depending on the country's specific requirements;
3. Satisfactory due diligence by ATIDI including an acceptable country and sector assessment;
4. Risk retention by the potential insured (typically a minimum of 10%); and
5. Receipt of a No-Objection from the host government prior to policy issuance.

## Transparency Tool

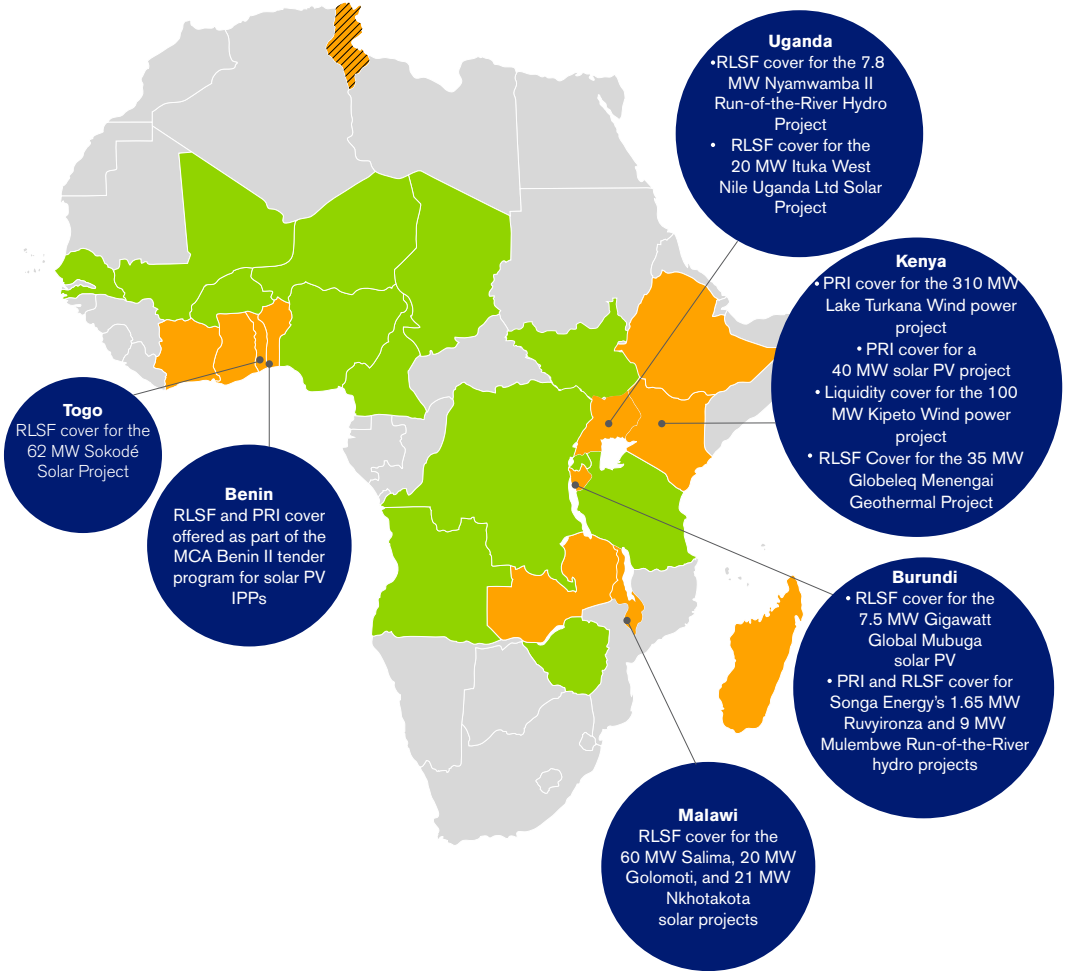
The Transparency Tool is an online platform that collects, tracks and provides information on how national utilities make payments to operational IPPs. The Tool matches the invoices issued by IPPs with payments received and produces reports that enable IPPs to compare their payment experience with that of other IPPs, to see how the payment behaviour evolves over time with different levels of granularity, and to compare the track record of different state owned offtakers in the region.

Periodically, ATIDI will publish notable trends and country related reports.


## Eligibility

- IPPs that benefit from RLSF automatically participate.
  - Participation is open to all other IPPs that operate in a country that has signed the RLSF MoU.
  - Offtakers (national utilities) can also participate, access the reports, and validate the data provided by the IPPs.
  - IPPs in countries that have not signed the RLSF MoU can also participate, depending on their confidentiality agreements. If their agreements prevent the IPPs from sharing their payment information with ATIDI for the purpose of the Transparency Tool, these IPPs can still upload their data and retrieve reports on their projects. This information will not be shared or included in aggregated reports that are available to other participants
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# Projects and Initiatives Supported in the Energy Sector



- \* PRI: Political Risk Insurance
- \* RLSF: Regional Liquidity Support Facility

 ATIDI Member States that have signed the RLSF MoU

 ATIDI Member States that are yet to sign the RLSF MoU

 The Republic of Tunisia has signed the RLSF MoU but is yet to complete its membership in ATIDI.



For additional information, kindly engage our team via [rlsf@atidi.africa](mailto:rlsf@atidi.africa)

[atidi.africa](http://atidi.africa)