



## **Alcazar Energy Partners II reaches US\$336.6m First Close for Renewable Energy Projects**

- *Alcazar Energy Partners II SLP (SCSp) (“AEP-II”) brings together eight public and private institutional investors from North America, Europe, and Asia to invest in selected emerging markets*
- *With a target size of US\$500m and a hard cap of US\$650m, the fund will continue the strategy of its predecessor, focusing on mid-market renewable energy investments*
- *AEP-II will mobilise c.a. US\$2bn of foreign direct investment, including project finance, into emerging markets, creating over 15,000 construction jobs with an emphasis on local employment*
- *AEP-II’s portfolio will develop over 2GW of clean energy, saving 3.2m tonnes of Greenhouse Gas (GHG) emissions per year, generating electricity able to power over one million households*
- *AEP-II’s projects will allocate US\$35m to initiatives tailored to the needs of the communities in which they operate, including women’s empowerment, local skills development, and sustainable-energy related initiatives*

**November 14, 2022, COP27, Sharm El-Sheikh, Egypt:** Alcazar Energy Partners II SLP (SCSp) (“AEP-II”) a Luxembourg domiciled sustainable infrastructure fund focused on utility-scale renewable energy projects in emerging markets, has achieved a first close of US\$336.6m.

This landmark transaction will enable the development and construction of over 2GW of clean energy infrastructure across selected emerging markets. AEP-II aims to achieve a total generation equivalent to powering over one million households and saving c.a. 3.2m tonnes of Greenhouse Gas emissions.

AEP-II’s investors include the European Bank for Reconstruction and Development (EBRD); the European Investment Bank (EIB); EMCAF, a fund managed by AllianzGI and advised by EIB; the International Finance Corporation (IFC), a member of the World Bank Group; the Asian Infrastructure Investment Bank (AIIB); the German Development Institution (DEG), a member of KfW Group; the French Financial Development Institution (Proparco), partially owned by the French Development Agency (AFD); and the Dutch Entrepreneurial Development Bank (FMO).

AEP-II has already signed its first Memorandum of Understanding (MoU) with the Egyptian Government to invest in a green hydrogen-based ammonia facility with 230,000 tonnes/year capacity powered by a dedicated 1GW renewable energy plant. A number of European and Asian investment grade off-takers have expressed a strong interest in providing an off-take agreement for the project.

Since 2014, Alcazar Energy’s first vehicle, Alcazar Energy Partners (“AEP-I”), deployed US\$240m of equity and mobilised total foreign direct investment in excess of US\$700m into seven solar and wind



farms in Egypt and Jordan, which created over 4,200 construction jobs and generated electricity able to power over 350,000 households.

By 2018, AEP-I developed the largest private renewable energy portfolio in the MENA region at the time, demonstrating that renewable energy in emerging markets can produce long-term stable returns sought by institutional investors. The regulatory environments that countries such as Egypt, Jordan have developed over recent years enables disciplined managers to mobilise institutional financing at larger scale.

Alcazar Energy's strong track record in developing and building renewable energy projects, its emerging markets expertise and its commitment to ESG best practices have all contributed to the successful first close of AEP-II, which follows the acquisition of the AEP-I portfolio by China Three Gorges South Asia Investment Ltd during the second half of 2021.

**Daniel Calderon, Co-Founder and Managing Partner of Alcazar Energy, commented:** *"The successful first close of AEP-II is a tribute to the disciplined and responsible work of our Alcazar team, who originated, developed, and exited AEP-I's portfolios, creating value for investors and, most importantly, for the countries and communities where AEP-I invested."*

*"AEP-II is privileged to have the confidence of an outstanding group of public and private institutions to invest and develop in renewable energy projects, mobilising more than \$2bn of foreign direct investment from OECD economies to build sustainable infrastructure where it is needed most."*

**Nandita Parshad, EBRD Managing Director for Sustainable Infrastructure, said:** *"We are delighted to scale up renewables to accelerate the green energy transition across EBRD region by committing up to US\$80 million in the new Alcazar Energy Partners II fund. This joint investment will strengthen the resilience of financial markets by diversifying funding sources for renewable energy assets. It will also promote female representation in the workforce of the Fund's investees."*

**EIB Vice-President Ambroise Fayolle commented:** *"To meet the Paris climate goals and strengthen global energy security, the world's energy systems must decarbonise as soon as possible. To do this, the financial system needs to mobilise trillions of dollars from private sector green energy projects. I am delighted that we are announcing investments from EMCAF and EIB Global in the Alcazar Energy Partners II Fund today. This support will help crowd in further contributions from investors and ensure that the fund plays an important role in accelerating the green transition in its countries of operation."*

**Tobias Pross, CEO of AllianzGI added:** *"Emerging markets are where the money for climate adaptation and mitigation is needed most and where it will have a much more immediate impact than in developed countries. I am proud that our EMCAF investments are now gaining traction on the ground in emerging countries – not just helping to fight climate change, but to support healthy economic growth in this region. We are grateful that EIB leveraged this investment, and we are keen to deploy more like these quickly in other countries as well."*



**Khawaja Aftab Ahmed, IFC Regional Director for the Middle East, Pakistan, and Afghanistan, said:** *“We can’t tackle climate change without unleashing the power of the private sector. This flagship investment harnesses that power, supporting climate adaptation across countries in three continents. We are proud to join forces with our long-term partner Alcazar again. Not only to help accelerate the transition to renewable energy and decarbonize power, but to also create thousands of jobs and make energy more affordable in the process.”*

**Konstantin Limitovskiy, AIIB Vice President, Investment Operations (Region 2), said:** *“We are excited to be part of AEP II’s first close and a lead investor in the Fund. We believe AEP II has the potential to add substantial new renewable energy capacity across the Middle East, North Africa and Turkey and play a significant role in the region’s energy transition. This investment is a key milestone for AIIB, as our first climate-focused equity investment in the region. The investment is aligned with AIIB’s key strategic objectives of climate risk mitigation and adaptation, green infrastructure and energy efficiency. We look forward to working closely with AEP II to achieve these critical objectives and support the development of green and climate-friendly energy capacity across this important region.”*

**Monika Beck, Member of DEG’s Management Board, said:** *“Building and expanding green infrastructure in emerging and developing countries is important to enable sustainable development and contribute to achieving global climate goals. We at DEG are convinced of this. In cooperation with our client Alcazar Energy Partners - an experienced and proven player - we are therefore committed to realizing further renewable energy projects”*

**Francoise Lombard, CEO of Proparco, said:** *“By investing in Alcazar Energy II, Proparco is leveraging on the established regional footprint, leading technology and operational excellence of Alcazar Energy Team. Proparco has made promoting low-carbon development, resilient to the impacts of climate change, aligned with the Paris Agreement, central to its strategy. Alcazar Energy II will strengthen Proparco’s already existing renewable energy portfolio. Since 2000, Proparco has financed and invested into 125 energy projects in developing countries representing 3.3 Bn€ in financing and 12.9 GW in installed capacity spanning all technologies (solar, wind, biomass, hydroelectric). The strategy and the focus of Alcazar Energy II is supporting our goal of developing a low-carbon economy with sustainable development and universal access to energy within the countries where we operate. We wish great success to Alcazar Energy Team and Proparco will stand alongside the Alcazar Energy to co-invest and support future projects of the Fund.”*

**Diana Wesselius, Manager, Private Equity at FMO, said:** *“FMO is proud to invest in the Alcazar Energy II fund. Through this investment, FMO supports the development of renewable energy in amongst others Egypt, Jordan and the wider MENA and ECA region. Alcazar’s investment strategy is committed to SDG 13 (Climate Action) and greatly contributes to reducing carbon emissions. Both priorities are at the core of FMO’s strategy.”*

**-ENDS-**



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### **About Alcazar Energy**

Alcazar Energy is a leader in developing and building renewable energy projects, focused on enabling the energy transition in emerging markets.

In August 2021, Alcazar Energy completed the exit of its flagship platform Alcazar Energy Partners (AEP-I) with wind and solar renewable energy assets in Jordan and Egypt, which were acquired by a consortium led by China Three Gorges. Following the success of AEP-I, Alcazar Energy Partners II SLP (SCSp) (AEP-II) was established with a vision to drive continued economic, environmental, and social impact through diligently vetted, optimised and bankable renewable energy projects across selected emerging markets.