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IFC grants $64M Green Loan to boost renewable energy in Thailand, Indonesia, Vietnam

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The financing package includes an IFC loan of up to $32 million and a parallel loan from Siam Commercial Bank (SCB) for a similar amount. IFCâ??s funding will help SPN finance the acquisition, development, and construction of renewable projectsâ??especially solar farms, solar rooftops, and biomassâ??in Thailand as well as in other ASEAN countries.

IFC will also assist the company with a green finance framework as it expands its footprint in the East Asia and Pacific region. SPN currently owns a 52-megawatt solar photovoltaic power plant in Lopburi province, north of Bangkok, which sells power to the Electricity Generating Authority of Thailand (EGAT) under a non-firm power purchase agreement.

â??We are honored that IFC has supported us in developing projects which reflects our commitment to secure a future energy source for everyone, powering a better tomorrow with renewable energy investments in Asiaâ? said Varut Tummavaranukub, Chief Executive Officer of Sermsang Power Corporation Public Company Limited (SSP) group, parent company of SPN.

The energy sector is the largest emitting sector in ASEAN countries, accounting for 55 to 70% of total greenhouse-gas (GHG) emissions. Despite significant potential for renewable energy, it currently represents less than 20 percent of the regionâ??s

energy supply. As a result, ASEAN countries are at risk of seeing an approximately 35 percent reduction of their gross domestic product (GDP) by 2050 due to climate change and natural hazards. A shift to renewable energy is therefore urgent. Cited the latest estimates, the statement noted that Asiaâ??s overall power capacity is expected to see a steady increase in its capacity for renewables, reaching 63 percent in 2035.

In Thailand, the government aims to ensure that renewables supply 34% of its energy consumption by 2037. The latest Power Development Plan, the solar capacity target has been revised from an earlier 6 GW to 15 GW by 2037.

At the end of FY22, IFCâ??s committed energy portfolio amounted to $6.1 billion, with half of that attributable to renewable energy projects. Every year, IFC portfolio clients provide electricity to 100 million people around the world. IFC â?? a member of the World Bank Group â?? is the largest global development institution focused on the private sector in emerging markets. The organization works in more than 100 countries, using its capital, expertise, and influence to create markets and opportunities in developing countries.

In fiscal year 2023, IFC committed a record $43.7 billion to private companies and financial institutions in developing countries, leveraging the power of the private sector to end extreme poverty and boost shared prosperity as economies grapple with the Impacts of global compounding crises.