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Press Release

For Immediate Release

New Power Platform to boost electricity generation in Africa and mobilise US\$1bn

Aga Khan Fund for Economic Development (AKFED), Industrial Promotion Services (IPS) and CDC Group plc partner to mobilise over US\$ 1 billion to enhance power generation in sub-Saharan Africa.



East Africa, 26 April 2017 - The Aga Khan Fund for Economic Development (“AKFED”), its industrial and infrastructure development arm, IPS, and CDC Group plc, the UK’s development finance institution, today launched a joint power platform that will boost power generation in sub-Saharan Africa, accelerating economic growth and impacting millions of people in the region.

The joint platform will house IPS’s existing power projects in Kenya and Uganda, and will focus on new power projects in greater East Africa (including Democratic Republic of Congo (DRC), Mozambique, and Madagascar) and West Africa.

The partners will invest US\$140m and mobilise project funding of US\$1bn for new power projects including the 147MW Ruzizi III project in the Great Lakes region (Rwanda, Burundi and the DRC). The Ruzizi project is expected to double Burundi’s current capacity, increase Rwanda’s capacity by 26% and provide much needed baseload power in Eastern DRC a region that is otherwise isolated from DRC’s interconnected grid. It will also reduce reliance on thermal (fossil fuel based) generation in these countries.

Besides developing regional and national power projects, both IPS and CDC intend to partner on mini and off-grid projects that will directly provide reliable and affordable electricity to rural populations away from regional and national grids.

Lutaf Kassam, Executive Director of AKFED, welcomed the partnership: “IPS has been investing and co-developing power projects in West and East Africa for over 20 years. We co-developed sub-Saharan Africa’s pioneering independent power projects in the 1990s and 2000s, namely the Azito power plant in Côte d’Ivoire, the Kipevu II (Tsavo Power) plant in Kenya, as well as the Bujagali Hydropower Project in Uganda. It has been an evolving journey, involving both public and private partners, which has seen a recent shift in focusing investments on renewable energy, taking advantage of advancement in solar and wind technologies, as well continuing to provide the reliable baseload power which many sub-Saharan African countries need.

“We see in CDC a likeminded partner that is strategically aligned to our values and mandate for contributing to development, and have partnered with them previously on pioneering power projects in the region. This platform, therefore, will build on this existing partnership, accelerating and scaling the development of new power projects, spreading our impact across the sub-Saharan region and, ultimately, improving the quality of life of communities.”

CDC’s Chief Executive, Diana Noble said: “Power infrastructure is vital for Africa’s economic growth and job creation and CDC has identified early-stage development as the area with the greatest need for investment in this priority sector. The market needs long-term, committed investors like CDC and AKFED to bring the capital, time horizons and expertise necessary to boost power generation for the continent.

“The partnership we’re announcing today complements CDC’s existing efforts in the sector. In 2015, we decided to take direct ownership and control of Globeleq Africa. With this new partnership launched today, we are tapping into the AKFED Group’s proven power sector expertise, including in hydropower, and excellent local relationships, with the aim of bringing reliable power to many millions of individuals, families and businesses across Africa.”

NOTES

The *Aga Khan Fund for Economic Development* (AKFED) is an international development agency dedicated to promoting entrepreneurship and building economically sound enterprises in parts of the developing world that lack sufficient foreign direct investment. It also makes bold but calculated investments in situations that are fragile and complex. It is part of the Aga Khan Development Network.

Industrial Promotion Services (IPS) is the infrastructure and industrial development arm of AKFED. With East Africa, IPS has operations in Kenya, Uganda, Tanzania, Burundi, Mozambique and DRC and employs over 10,000 people. It is also actively pursuing investment opportunities in Rwanda and Madagascar. Outside the East and Central Africa region, IPS also operates in Cote d’Ivoire, Burkina Faso, Mali, Senegal, Tajikistan, Afghanistan, Kyrgyzstan, Pakistan and Canada.

CDC Group plc (CDC) is the UK government-owned development finance institution. CDC’s mission is to support the building of businesses throughout Africa and South Asia, to create jobs and making a lasting difference to people’s lives in some of the world’s poorest places.

CDC provides investment capital in all its forms, including equity, debt, mezzanine and guarantees, and this capital is typically used to fund growth. This capital is provided directly and through fund managers that are aligned with our aims. CDC uses its own balance sheet to invest and has net assets of £3.9bn. CDC was advised by HSBC during the process.

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