

## PRESS RELEASE

# MIGA Backs Clean Power Generation in Cameroon

January 28, 2019

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**MIGA, ALONG WITH IBRD AND IFC TO HELP DELIVER POWER SUFFICIENT FOR 453,000 CUSTOMERS, AND HELP AVOID 41 MILLION TONS OF CO2 EQUIVALENT OVER NEXT 40 YEARS.**

**WASHINGTON DC, January 28, 2019** – MIGA, a member of the World Bank Group, has issued EUR 164.5 million in guarantees to two investors in the Nachtigal Hydropower Company. The Agency has provided Breach of Contract cover for up to 15 years to French power developer and operator EDF International, as well as STOA, a French infrastructure investment vehicle that focuses primarily on Africa.

MIGA guarantees have been provided alongside payment and loan guarantees from the IBRD, and an investment, loan and risk management swaps by IFC.

The Nachtigal Hydropower Project is a 420MW hydropower plant on the Sanaga River, about 65km north-east of Yaounde, and will contribute an additional 30 percent of installed generation capacity in Cameroon, along with significant climate co-benefits. The project is being developed on a Build, Own, Operate and Transfer basis under a 35-year Concession Agreement between the Project Company and the Republic of Cameroon, and a Power

Purchase Agreement between the Company and Energy of Cameroon (ENEO), a privately-owned electricity distribution company. One of few hydropower Public-Private Partnerships in Sub-Saharan Africa, the Project will sell power to ENEO at a rate of EUR .061/kWh – among the lowest tariffs for a hydropower plant.

Nachtigal will be connected to the Southern interconnected grid, which represents about 94 percent of Cameroon's national electricity consumption, comprising major cities such as Yaounde and Douala.

*“As a project in an IDA-eligible country, as well as one with significant climate change mitigation benefits, the Nachtigal Hydropower Project is a high priority for MIGA,”* **MIGA EVP & CEO Keiko Honda** said. *“Equally importantly, I am pleased this project has mechanisms to help address environmental and social concerns, which are of utmost importance to MIGA.”*

As of 2015, total power generation in Cameroon reached 6,426GWh, with a total installed capacity of 1,286MW – of which hydropower accounts for about 60 percent of total installed capacity. At present, 6 out of 10 of Cameroonians have access to electricity, and peak demand is expected to quadruple by 2035. The country has the third largest hydropower development potential in Sub-Saharan Africa, and forecasts estimated that hydropower will represent about 75 percent of the energy mix by 2023.

A comprehensive Environmental and Social Management Plan has been prepared, and addresses environmental impacts, health and safety, labor influx, and organizational capacity. An Integrity Due Diligence review was undertaken by IFC.

The project was originally developed through the IFC InfraVentures program.

Commenting on the transaction, **Marie-Laure Mazaud, Deputy Chief Executive Officer of STOA**, added *"The Nachtigal Dam provides a concrete response to the significant demand for electricity in Cameroon, and is a reference project for the development of similar hydro projects in Africa in the near term. We are pleased to collaborate with the Republic of Cameroon, EDF, IFC and Africa50 to provide sustainable and accessible energy for the Cameroonian population. The social economic impact of Nachtigal project will be huge in terms of local employment and economic growth."*

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MIGA was created in 1988 as a member of the World Bank Group to promote foreign direct investment in emerging economies by helping mitigate the risks of restrictions on currency conversion and transfer, breach of contract by governments, expropriation, and war & civil disturbance; and offering credit enhancement to private investors and lenders.

This year marks MIGA's 30th Anniversary. Over the last three decades, MIGA has directly supported over \$52 billion in investments for over 850 projects in 111 developing countries.

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