

One step closer to clean energy for 30 million people in Africa



- Africa's first regional PPP hydropower project reaches key milestone
- Finance Minister signs grant agreement with European Investment Bank in Bujumbura
- EUR 9 million European support unlocks final preparatory works for Ruzizi III hydro project
- Follows 10 years of EIB and EU financial support for preparation of 147MW hydropower scheme
- Project backed by Burundi, Rwanda, DRC and private consortium to transform regional energy

The first Public Private Partnership (PPP) project to generate renewable energy from shared resources in Africa came closer to reality today following signature of a key agreement to enable preparatory works to commence.

The Ruzizi III hydropower project will generate reliable electricity from the Ruzizi river to be shared equally between the Democratic Republic of Congo, Burundi and Rwanda.

The regional renewable energy project will benefit an estimated population of 30 million people, 70% of whom are living under the poverty line and at present only 6% of whom can access electricity.

"Harnessing the full potential of the Ruzizi River has been a dream for Burundi, Rwanda and the Democratic Republic of Congo for generations. The long-standing support of international financial partners and close cooperation with regional governments has been crucial to enable technical, political and environmental planning to progress. Today's agreement with the European Investment Bank will enable project financing to be agreed in the coming months and the Ruzizi III project to finally begin. Burundi thanks all partners involved for their dedication to transforming access to clean energy

in the Great Lakes" said Domicien Ndihogubwayo, Finance Minister of the Republic of Burundi.

"The European Investment Bank, the European Union and the project financiers have worked closely with the Burundi, Rwandan and DRC government for more than 10 years to ensure that Africa's first three country PPP clean energy project can become a reality and ensure access to electricity for millions of people. Today's agreement demonstrates the European Union's firm commitment to supporting renewable energy in Africa and unlock support of private investors for sustainable development." said Ambroise Fayolle, European Investment Bank Vice President.

"The European Union is committed to supporting access to clean energy in Africa and our close cooperation with local and international partners is enabling geotechnical work for Ruzizi III to finally start. The Ruzizi III project represents the EU Green Deal for Africa in reality." said the European Union Delegation to Burundi.

"The signing of the €9.1 M grant for the project is a significant moment for the project as it complements sponsor contributions from IPS and SN Power towards the funding of the pre-financial close development activities. For this, IPS and SN Power are truly grateful to EIB and the EU-Africa Infrastructure Trust Fund who have availed the grant, thereby considerably de-risking the Project. It is an impressive example of how public-private cooperation can facilitate early stage development of complex projects". said Mr Galeb Gulam, CEO of Industrial Promotion Services.

Earlier today Domicien Ndihogubwayo, Finance Minister of the Republic of Burundi, and representatives of the European Investment Bank, signed a EUR 9.1 million grant agreement to enable preparatory work to commence. This follows the signature of the grant agreement in January by the Finance Minister of

Rwanda and the private sector developer IPS/SN Power. The grant will be provided by the European Union through the EU-Africa Infrastructure Trust Fund and managed by the European Investment Bank.

Ensuring access to reliable renewable energy for the Great Lakes region

Once commissioned, Ruzizi III will double Burundi's current electricity generation capacity, increase Rwanda's installed capacity by 33% and provide much-needed baseload power in Eastern DRC, a region that is otherwise isolated from DRC's interconnected grid.

Protecting African forests and reducing dependence on charcoal

The Ruzizi III project will support regional integration and reduce reliance on expensive thermal generation and reduce the local dependence on wood fuel and charcoal; a major threat to the countries' forests and biodiversity. The project will be supported by concessional funding to ensure affordable electricity tariffs.

Project progress follows decade of technical preparation and political

agreements

Today's milestone signature follows agreement between the governments of Burundi, DRC and Rwanda and the private sector sponsors of the Power Purchase Agreements in July last year.

Flagship European Union support for private sector clean energy investment in Africa

The European Union, the EIB and other European financial partners have supported the Ruzizi III project since 2009 and followed international technical, environmental and social best practice.

International financial institutions including the European Investment Bank, the European Union, Kreditanstalt Für Wiederaufbau (KfW), the French Development Agency (AFD), the African Development Bank (AfDB), as well as the World Bank are supporting the project.

Fostering regional cooperation in the Great Lakes

Today's Ruzizi III is also supported by regional organisations including the Economic Community of the Great Lakes Countries (ECGLC), the Nile Basin Initiative and the Nile Equatorial Lakes Subsidiary Action Program (NELSAP).

Financial close of the Ruzizi III hydropower project is expected to be agreed by mid-2021.

Background information:

About the European Investment Bank:

The European Investment Bank (EIB) is the long-term lending institution of the European Union owned by its Member States. It makes long-term finance available for sound investment in order to contribute towards EU policy goals.

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