Early Warning System

AFDB-P-MG-F00-007

Madagascar - Sahofika – Equity Participation in the Capital of the Neho (Nouvelle Energie Hydroélectrique de l'Onive)

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Quick Facts

Countries	Madagascar
Financial Institutions	African Development Bank (AFDB)
Status	Approved
Bank Risk Rating	U
Voting Date	2020-05-13
Borrower	Government of Madagascar
Sectors	Energy
Investment Type(s)	Loan
Investment Amount (USD)	$ 4.39 million

Project Description

According to bank documents, the objective of the project is to provide support to the Government of Madagascar to participate directly, i.e. as EUR 30 million equity holder, in the Société Nouvelle Energie Hydroélectrique de l'Onive (NEHO).

The present intervention relates to the Sahofika Republic of Madagascar Equity Participation Project. It's an ancillary project in support of the Sahofika Hydro Power Plant project, a 205 MW greenfield hydropower plant development which the Bank is supporting through three separate interventions. It entails the acquisition by the GoM of newly issued shares to the tune of EUR 30 million in the Special Purpose Vehicle (SPV) implementing and operating the Sahofika HPP project. The investment, equivalent to an approximate 10-15% of shareholding, will be used to fund part of the project costs of the Sahofika HPP Project. The Sahofika HPP Project comprises the following main facilities: (i) a main RCC dam of 60m height comprising a water intake, an ungated upper spillway, a gated bottom outlet and an ecologic flow; (ii) a backfill saddle dam of 35 m height and 150m length; (iii) a 4,470m underground tunnel including a vertical surge chamber and two 1,800m long and 2.2m diameter penstocks; (iv) a surface powerhouse with an installed power capacity of 205MW comprising of 6 Pelton turbines and a switchyard; (v) a camp site comprising construction facilities and a permanent Operation and Maintenance (O&M) camp site; (vi) internal roads connecting facilities. The project has two main components, namely: (1) acquisition by the Crown of a 15% equity interest in NEHO, and (2) project management.

Investment Description

- African Development Bank (AFDB)

Contact Information

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ACCOUNTABILITY MECHANISM OF AfDB

The Independent Review Mechanism (IRM), which is administered by the Compliance Review and Mediation Unit (CRMU), is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an African Development Bank (AfDB)-financed project. If you submit a complaint to the IRM, it may assist you by either seeking to address your problems by facilitating a dispute resolution dialogue between you and those implementing the project and/or investigating whether the AfDB complied with its policies to prevent environmental and social harms. You can submit a complaint electronically by emailing crmuinfo@afdb.org, b.kargougou@afdb.org, b.fall@afdb.org, and/or s.toure@afdb.org. You can learn more about the IRM and how to file a complaint at https://www.afdb.org/en/independent-review-mechanism/