

 Early Warning System

AFDB-P-UG-FAB-009

UGANDA - ACHWA 1 42 MW Hydro Power Project



Quick Facts

Countries	Uganda
Specific Location	Pader District in Northern Uganda
Financial Institutions	African Development Bank (AFDB)
Status	Approved
Bank Risk Rating	U
Voting Date	2024-04-24
Borrower	ARPE Limited
Sectors	Energy, Hydropower
Investment Type(s)	Loan
Investment Amount (USD)	\$ 21.48 million
Loan Amount (USD)	\$ 21.48 million
Project Cost (USD)	\$ 144.00 million



Project Description

As stated by the AfDB, the proposed financing focuses on the preservation and sustainability of development outcomes envisaged for this project by bolstering the financial viability of ARPE, preventing potential default and the possible interruption of ARPE's services to the private sector.

The project company, ARPE Limited ("ARPE"), has built two cascading Hydro Power Plants totaling 83MW located in Pader District in Northern Uganda, namely Achwa 1 and Achwa 2. ARPE is an existing client of the Bank through the financing provided for Achwa 2 in 2017. Achwa 1 was financed using short term bridge loans maturing between 2024 and 2026. The proposed refinancing for the short-term bridge loans will resolve the debt maturity mismatch vis-a-vis the economic life of the project and preserve the long-term financial sustainability of ARPE.

Key development outcomes expected to be sustained include: i) preserve an essential input for businesses by sustaining an annual electricity generation of about 193.1 GWh and resulting in increased electricity supply to enterprises in Northern Uganda, a region characterized by extremely low electrification; ii) to support electricity supply to potentially 280,000 people in rural and underserved areas; iii) Sustain the contribution to CO2 emissions avoidance with an is estimated at 94 ktCO2 e annually and the total over lifetime is 3,761.5 ktCO2 e; iv) sustain USD 38.1 million in taxes.



Investment Description

- African Development Bank (AFDB)



Private Actors Description

As stated by the AfDB, ARPE, an existing client of the Bank, is majority (80%) owned by Africa Renewable Energy Fund (“AREF”). A 20% stake belongs to SIPA Holdings, a Joint Venture of PAC SpA (51%) and Simest SpA (49%). AREF is a USD 205 million renewable energy fund established in 2014, with AfDB and SEFA as founding investors and is managed by Berkeley Energy, a renewable energy fund manager investing in African and Asian markets.

PAC is an Italian-based construction company focused on the design and construction of large infrastructures and civil engineering projects. It is family-owned by two brothers Riccardo Parolini (50%) and Mario Parolini (50%). PAC also acted as the civil works and hydromechanical equipment contractor for Achwa 1 and 2 projects.



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Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Berkeley Energy Corp.	Parent Company	Finance	owns	ARPE Limited	Client	Energy
PAC SpA	Contractor	Construction	invests in	ARPE Limited	Client	Energy
Simest SpA	Contractor	Construction	contracts with	PAC SpA	Contractor	Construction



Contact Information

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ACCESS TO INFORMATION

You can submit an information request for project information at: <https://www.afdb.org/en/disclosure-and-access-to-information/request-for-documents>. Under the AfDB's Disclosure and Access to Information policy, if you feel the Bank has omitted to publish information or your request for information is unreasonably denied, you can file an appeal at <https://www.afdb.org/en/disclosure-and-access-to-information/appeals-process>.

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/>



Bank Documents

- [Appraisal report \(EN\)](#)
- [Appraisal report \(FR\)](#)
- [Environmental study \(EN\)](#)
- [Environmental study 2 \(EN\)](#)