Early Warning System

FMO-56805

Madagascar Hydro Holdco Limited

Early Warning System

Madagascar Hydro Holdco Limited

FMO-56805

Quick Facts

Countries	Madagascar
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	A
Voting Date	2019-12-10
Borrower	Madagascar Hydro Holdco Ltd.
Sectors	Energy, Hydropower
Investment Type(s)	Loan
Investment Amount (USD)	$ 10.00 million
Loan Amount (USD)	$ 10.00 million

Project Description

According to bank documents, the objective of FMO's financing is to fund the development, construction, and operation of a portfolio of run-of-river hydroelectric projects in Madagascar.

The investment is Category A investment due to magnitude of specifically PS5 and PS6 related impacts in the portfolio. PS1-6 applicable for all assets in the platform, PS8 for one asset (traditional palace): no indigenous peoples. All assets render economic displacement, whilst one also triggers physical displacement: compensation and livelihood restoration activities will need to be aligned with international best practices. The projects are not situated in critical habitats or protected areas however biodiversity impact management is regarded key due to the nature of the assets (HPPs) and the biodiverse ecosystems of the Madagascan regions. FMO DD also focuses on the needs to maintain/enhance societal embedding of the assets in their specific local societal contexts.

Investment Description

- Netherlands Development Finance Company (FMO)

Private Actors Description

Madagascar Hydro Holdco LTD is a platform company incorporated in Mauritius for the acquisition and development of a portfolio of several run-of-river hydroelectric projects in Madagascar. FMO is investing in conjunction with the Africa Renewable Energy Fund, a fund focussed exclusively on investments in renewable energy projects in Sub-Saharan Africa.

Contact Information

Contact information not provided at the time of disclosure

ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW) . A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: https://www.fmo.nl/independent-complaints-mechanism