Early Warning System

# IFC-39102

## Bujagali 2 (Refi)

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## Quick Facts

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| **Countries** | Uganda |
| **Financial Institutions** | International Finance Corporation (IFC) |
| **Status** | Proposed |
| **Bank Risk Rating** | A |
| **Borrower** | BUJAGALI ENERGY LIMITED |
| **Sectors** | Infrastructure |
| **Investment Amount (USD)** | $ 100.00 million |

## Project Description

The Bujagali 2 (Refi) project involves a proposed refinancing of the existing debt of an existing client, Bujagali Energy Limited (BEL, project #24408), which owns and operates a 250 MW hydro power project (HPP) at Dumbbell Island, on the Nile River 8 km north of Jinja, Uganda. The Bujagali HPP was commissioned in 2012 and has been operating since that time. IFC's proposed contribution to the refinancing is $100 million for its own account, out of an approximately $500 million package. The purpose of the refinancing is to lengthen the tenor of the loans thereby reducing the amount of the loans' annual debt service and, in turn, lowering the project's tariff, and making electricity in Uganda more affordable. The proposed investment is not expected to result in any change to the physical or operational footprint of the HPP or to its power transmission arrangements.BEL's headquarters are in Jinja, Uganda. The project sponsors are a consortium of AKFED group companies (AKFED, Industrial Promotion Services (Kenya) Ltd and Jubilee Insurance), CDC UK and SG Bujagali Holdings, Ltd., an affiliate of Sithe Global Power LLC (US, Sithe Global). Operations and maintenance (O&M) activities are contracted out to O&M Energy Uganda Limited (OME) under a long-term operations and maintenance agreement. OME is a subsidiary of Spain-based Gas Natural Fenosa (GNF). GNF, through various subsidiary companies, operates approximately 100 power plants around the world, some of which are hydro power projects. The HPP is an Independent Power Producer (IPP) which sells electricity to Uganda Electricity Transmission Company Ltd (UETCL) under a 30-year Power Purchase Agreement signed on December 6, 2007.The HPP comprises 5 x 50 MW turbine generators within a 28 meter (m) high earth-filled dam and spillway works. The reservoir covers an area of 388 hectares (ha) extending back to the tailrace area of the upstream 180 MW Nalubaale HPP and 200 MW Kiira HPPs. A 183 MW HPP is currently under construction at Isimba, 32 kilometers downstream; completion is expected in the near future. The Isimba HPP will evacuate all of its power through a transmission line connected to the Bujagali switchyard. The Bujagali HPP is linked into the national grid via three separate lines, including a 90-kilometer 132 kV transmission line connecting to substations in Kawanda and Mutundwe, and two separate 5-kilometer 132 kV transmission lines connecting to the Nalubaale HPP and Tororo that were constructed prior to the original Bujagali project. BEL performed construction management activities on behalf of UETCL, Uganda's national transmission company for the line connecting to the substations in Kawanda and Mutundwe. Further details pertaining to the project description, technical characteristics and environmental, health & safety and social (E&S) impacts and associated documentation for the original Bujagali Energy Ltd. project (disclosed in 2006) may be found using the following public disclosure link:https://disclosures.ifc.org/#/projectDetail/ESRS/24408

## Investment Description

- International Finance Corporation (IFC)

**Contact Information**

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ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/

## Bank Documents

- Project Information