

 Early Warning System

IFC-41897

Umeme Capex [2019-2024]



Quick Facts

| | |
|--------------------------------|---|
| Countries | Uganda |
| Financial Institutions | International Finance Corporation (IFC) |
| Status | Proposed |
| Bank Risk Rating | B |
| Voting Date | 2019-07-15 |
| Borrower | UMEME LTD |
| Sectors | Energy, Infrastructure |
| Investment Amount (USD) | \$ 70.00 million |
| Project Cost (USD) | \$ 325.00 million |



Project Description

The proposed investment is to provide debt financing for the 2019-2024 6-year capital expenditure program of Umeme Ltd. (“Umeme”, “the Company”), a regulated electricity distribution company in Uganda, supplying over 1.2 million customers mainly located in the semi-urban corridor linking Kampala, Entebbe and Jinja. Umeme was awarded a 20-year concession to manage and operate the assets of Uganda Electricity Distribution Company (UEDCL) in 2005. In 2009, IFC committed US\$25 million in debt financing to support Umeme’s operations. Later in November 2012, IFC participated in an Initial Public Offering to support Umeme’s rehabilitation and development of its network. IFC also provided US\$70 million in debt financing in 2013 and a further US\$20 million in 2016 to support Umeme’s 2013-2018 capital expenditure program mainly involving the upgrade and expansion of medium voltage transmission lines and substations and through the introduction of pre-paid meters across its customer base. Through the proposed investment, IFC will support Umeme’s next 6-year capital expenditure program, which will mainly focus on (i) network upgrades to enable load growth and additional connections to support uptake of new generation, (ii) safety/reliability enhancements, and (iii) implementation of smart meters to continue improving collections and reducing commercial losses (the “Project”).



People Affected By This Project

The Project will support the growing demand for electricity in Uganda, and contribute to ongoing efforts to increase access to electricity. This will help fulfill the Government of Uganda's efforts to improve electrification rate from the current 27% to 60% by 2027, and complement the significant growth (almost double) in generation capacity expected by 2020 (from 183MW Isimba and 600MW Karuma dams, and small solar/hydros). In addition, the Project has potentially significant indirect and induced effects on value added and employment as Umeme's network expansion plan focuses on zones with high electricity demand and economic growth potential. Finally, it will improve resilience of the main distribution network in Uganda and reduce losses, through adoption of advanced smart technologies, adequate maintenance and upgrade of ageing assets.



Investment Description

- International Finance Corporation (IFC)



| Private Actor 1 | Private Actor 1 Role | Private Actor 1 Sector | Relation | Private Actor 2 | Private Actor 2 Role | Private Actor 2 Sector |
|-----------------|----------------------|------------------------|----------|-----------------|----------------------|------------------------|
| - | - | - | - | UMEME LTD | Client | - |



Contact Information

Umeme Limited
Selestino Babungi
Managing Director
+256 (0) 312 360622
selestino.babungi@umeme.co.ug
Kampala Uganda
<https://www.umeme.co.ug/>

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](#)