

 Early Warning System

IFC-48790

Vorotan Refi



Quick Facts

Countries	Armenia
Specific Location	Sisian, Goris, Gorayk, Tsghuk, Sarnakunq, Angeghakot, Shaghat, Balak, Tolors, Ashotavan, Uyts, Shamb
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2024-09-10
Borrower	CONTOURGLOBAL HYDRO CASCADE CJSC
Sectors	Energy, Hydropower
Investment Type(s)	Loan
Investment Amount (USD)	\$ 50.00 million
Loan Amount (USD)	\$ 50.00 million
Project Cost (USD)	\$ 150.00 million



Project Description

As stated by the IFC, the proposed Project is an up to US\$150mn refinancing arranged by IFC for an existing portfolio asset in Armenia, Vorotan hydro cascade (“Vorotan”), which is owned and operated by ContourGlobal Hydro Cascade (the “SPV” or the “Company”).

The SPV was established and wholly owned by ContourGlobal Limited (“CG” or the “Sponsor”), an international developer and operator of power generation projects focused on renewable energy with significant presence in emerging markets. Founded in 2005, it owns and operates a portfolio of 100+ power generation plants in 20 countries across 4 continents, with aggregate installed capacity of over 6.2 GW in operation.

The Vorotan hydro cascade is among the main power generation complexes in Armenia, providing both peak and base load generation, and performing grid stabilization services. The 404.2 MW Vorotan hydro cascade is located 240 km southeast of Yerevan in Armenia’s southern Syunik Province. The cascade extends 178 km along the Vorotan River and its tributaries and consists of three hydropower plants (HPPs) and four reservoirs and daily regulation pond:

- 76MW Spandaryan HPP, Spandaryan Reservoir and Dam (Embankment type, Mixed Rockfill & Earthfill, 83m dam height), plus Angeghakot Reservoir, commissioned in 1989;
- 171MW Shamb HPP, Tolors Reservoir and Dam (Embankment type, Sandy gravel Soil, 69m dam height), commissioned in 1978; and
- 157.2MW Tatev HPP, Shamb Reservoir and Dam (Embankment type, Sandy gravel, 41m dam height), plus Tatev Daily Regulation Pond, commissioned in 1970.

CG acquired these assets from the Government of Armenia (“GoA”) in July 2015.

There are a number of towns and villages spread along the length and breadth of the cascade. The largest of these are the towns of Sisian (population approx. 13,000), which is located on the banks of the Vorotan River in the upper section of the cascade, and Goris (population approx. 23,000), which is located a few km north of the river near the base of the cascade and is where the Company has its offices. Other, smaller settlements spread across the cascade include Gorayk, Tsghuk, Sarnakunq, Angeghakot, Shaghat, Balak, Tolors, Ashotavan, Uyts, Shamb, Ltsen, Tatev and Khot. There is minimal use of the Vorotan reservoirs for social or tourism purposes such as fishing, boating or rafting. Planned releases are made from the cascade’s reservoirs for irrigation purposes. 10% of the Vorotan River’s natural flow is continually released along the river’s original course, with the rest being diverted into the power cascade. The current flow regimes have been in place for several decades and will not be altered by the proposed Project.

The new financing is aimed to re-leverage the project SPV, and through doing so free up cash flows that a) will be upstreamed to the shareholder and directed to ContourGlobal’s new pipeline of greenfield renewable assets in emerging markets, and b) finance SPV’s capex for 2023-2024. The capex program mostly includes replacement of 2 power transformers in Shamb HPP, installation of the dams’ monitoring systems, rehabilitation of Tatev daily regulation pond, and installation of the Early Warning (Alarm) System for communities. No significant construction work is anticipated. IFC’s refinancing of Vorotan is expected to have few environmental and social (E&S) impacts, most of which will be positive.



Investment Description

- International Finance Corporation (IFC)



Private Actors Description

As stated by the IFC, the Sponsor (who is also 100% shareholder) is ContourGlobal Limited (“CG” or “ContourGlobal”), an international developer and operator of power generation projects focused on renewable energy with significant presence in emerging markets. Founded in 2005, it owns and operates a portfolio of 100+ power generation plants in 20 countries across 4 continents, with aggregate installed capacity of over 6.2 GW in operation. In 2022, CG itself was acquired (100%) by KKR, a leading global investment firm.



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Contour Global LLC	Parent Company	Energy	owns	Contour Global Hydro Cascade CJSC	Client	Hydropower



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You can submit a request for information disclosure at: <https://disclosures.ifc.org/#/inquiries>

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

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

- [Environmental and Social Review Summary](#)



Other Related Projects

- IFC-37652 Vorotan Debt
- MIGA-3527 Vorotan Hydro Cascade
- IFC-33450 Vorotan Hydros
- FMO-50741 CONTOURGLOBAL HYDRO CASCADE CJSC