Early Warning System

MIGA-14793

Kube Energy Baidoa

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Quick Facts

Countries	Somalia
Specific Location	Baidoa/South West State
Financial Institutions	Multilateral Investment Guarantee Agency (MIGA)
Status	Active
Bank Risk Rating	B
Voting Date	2022-11-30
Borrower	Kube Energy
Sectors	Energy
Investment Type(s)	Guarantee
Investment Amount (USD)	$ 5.67 million

Project Description

From the MIGA's website:

On January 12, 2023, MIGA entered a contract issuing a guarantee of US$5.67 million to Kube Energy of Mauritius for its equity investment in the Kube Energy Somalia LLC solar PV hybrid power plant project in the Federal Republic of Somalia. The guarantee is issued for up to 15 years against the risks of expropriation and war and civil disturbance. This is MIGA's first project in Somalia (a new MIGA member country in March 2020).
Located in the 'green zone' in Baidoa, Somalia, the Project will provide 24/7 electricity to the United Nations Support Office in Somalia (UNSOS) through a power purchase agreement, the first of its kind in Somalia. The Project will replace existing diesel generators, significantly reducing green-house gas emissions and the cost of electricity while increasing reliability of electricity supply within the green zone.
The Project's positive development impact will be driven by significant GHG emissions savings, as the solar power produced will displace diesel generators, which are highly pollutive. The Project will enable UNSOS to transition its operations in Baidoa to approximately 80 percent renewable energy, supporting the UN's efforts to reduce their energy footprint by transitioning field operations from diesel to renewable sources of power.

Investment Description

- Multilateral Investment Guarantee Agency (MIGA)

Private Actors Description

From the MIGA's website:

Kube Energy is a Norwegian renewable energy services company established in 2015 which provides access to renewable energy in remote and fragile areas. The company currently operates four solar power plants supplying the United Nation entities in South Sudan and Kenya and is developing projects is other countries in Sub-Saharan Africa (Central African Republic, Democratic Republic of the Congo, and Mali). Kube Energy partnered with CrossBoundary Energy Holdings for the financing and further development and implementation of the Project, including CBE’s provision of the environmental and social risk management framework. CBE was launched in 2015 and is Sub-Saharan Africa’s first investment platform for commercial and industrial solar. It provides solar electricity to African enterprises, through fully financed Power Purchase Agreements or leasing solutions.

Construction of the Project is anticipated to take about ten months. Kube Energy will utilize a multi-contract approach for the Project’s engineering and design, construction, and equipment procurement. Soventix GmbH (Germany) is responsible for the engineering, design, construction and commissioning of the Project including the management of the local contractor. D-Hybrid Power Systems GmbH is responsible for supplying the battery energy storage system and the thermal generation facilities, and will provide remote assistance to Soventix GmBH for the installation on site. A local company will serve as the local construction contractor to supply construction materials, labor, etc. and will support Soventix.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	CrossBoundary Energy Holdings	Contractor	Energy
-	-	-	-	Kube Energy	Client	Energy

Contact Information

Kube Energy Somalia's Contact Information:

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ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://www.miga.org/contact/access_to_information

You can also request general information about MIGA and for information on guarantees by emailing: migainquiry@worldbank.org

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 Action Plan (ESAP) [Original Source]
- Environmental and Social Action Plan, dated May 2022. [Original Source]
- Environmental and Social Impact Assessment for Kube Energy Somalia, Baidoa Solar PV Plant, prepared [Original Source]

Media

- MIGA Supports Ground-Breaking Solar Project in Somalia (February 1, 2023)