

 Early Warning System

MIGA-6732

Bujagali Energy Limited



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## Quick Facts

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| <b>Countries</b>               | Uganda  |
| <b>Financial Institutions</b>  | Multilateral Investment Guarantee Agency (MIGA) |
| <b>Status</b>                  | Approved  |
| <b>Bank Risk Rating</b>        | A   |
| <b>Voting Date</b>             | 2018-03-04                                      |
| <b>Borrower</b>                | Bujagali Holding Power Company Limited          |
| <b>Sectors</b>                 | Hydropower                                      |
| <b>Investment Type(s)</b>      | Guarantee                                       |
| <b>Investment Amount (USD)</b> | \$ 231.28 million                               |



## Project Description

On June 27, 2018, MIGA agreed to issue up to \$231,279,458.71 in guarantees covering Bujagali Holding Power Company Limited's (BHPCL) equity investment in the Bujagali Hydropower project. The project involves operation of a 255 megawatt, run-of-the-river hydropower plant on the Victoria Nile by Bujagali Energy Ltd. (BEL). The project was developed on a build-own-operate-transfer basis and reuses water flowing from two existing upstream facilities to generate electricity. The first generating unit was commissioned in February 2012, and the project reached full capacity in June 2012. The proposed investment is not expected to result in any change to the project's physical or operational footprint or to its current power transmission arrangements.

The Agency first supported this project in June 2007, when MIGA issued a guarantee totaling \$115 million to World Power Holdings Luxembourg S.a.r.l. (WPH), an affiliate of Sithe Global (USA), to cover its investment in the construction of Bujagali hydropower project. The coverage was issued for a period of up to 20 years against the risk of breach of contract. MIGA subsequently increased its coverage to \$120.3 million in July 2012, following WPH's increase of its equity investment in the project.

On August 27, 2014, MIGA also issued a guarantee totaling \$9.5 million to Absa Bank Limited of South Africa and Standard Chartered Bank of the United Kingdom, two of the existing senior lenders for the Bujagali Hydropower project. The two lenders entered into a swap arrangement with Bujagali Energy Limited to hedge against long-term interest rate risk. MIGA's coverage on the lenders' swap was issued against the risk of breach of contract for a period of 11 years. On June 10, 2016, MIGA also disclosed a Summary of Proposed Guarantee for SN Power's potential investment in the project. The newly proposed guarantee would cover BHPCL's existing and new investments in the project.



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## Investment Description

- Multilateral Investment Guarantee Agency (MIGA)



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## Contact Information

No contact information provided at the time of disclosure

### ACCOUNTABILITY MECHANISM OF 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](mailto:CAO@worldbankgroup.org). You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org/>



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**Bank Documents**

- [Project Information](#)