



## Working together to light the way for renewable energy in Chad

August 9th, 2018

### **N'Djamena, Chad: Power Purchase Agreement (PPA) signed with the Government of Chad for the 60MWp Djermaya Solar project.**

The Djermaya Solar project, represented by InfraCo Africa its majority shareholder, today signed a 25-year PPA with the Ministry of Energy and the national utility, La Société Nationale d'Electricité (SNE). The PPA marks a key milestone in the development of Djermaya Solar, enabling the project to raise construction financing and demonstrating the joint commitment of all parties to developing renewable energy in Chad.

Chad relies upon expensive heavy fuel oil and diesel for electricity, making the country vulnerable to supply failures and global price fluctuations. Djermaya Solar is one of the first solar IPP projects in Chad. This pioneering project will be delivered in two phases of 32MWp and 28MWp, gradually integrating renewable power into Chad's national grid. Development of the project is being led on the ground by Aldwych Africa Development Limited (AADL, on behalf of InfraCo Africa) and Smart Energies.

Hugues Antoine Guinoiseau, Director of Smart Energies International, said: ***'This PPA marks the beginning of a long collaboration between a consortium led by Smart Energies and InfraCo Africa, the SNE and the Chadian government. The energy needs are very important in Chad – needs mostly satisfied today by polluting energies. In a country with strong sunlight like Chad, solar energy appears as a great means to expand access to a clean energy. We are happy to contribute to its deployment in Chad. This project also validates Smart Energies' internationalisation strategy, which has already developed strategic positions in several frontier markets and developing countries, on the African continent, in the Middle East and in Eastern Europe.'***

InfraCo Africa, part of the Private Infrastructure Development Group (PIDG), has committed US\$3m to the development of Djermaya Solar and leveraged US\$0.8m in grants from its sister PIDG company, the Technical Assistance Facility (TAF). Amongst other activities, the TAF grant has funded legal advice for the Government of Chad (GoC) to support preparation and negotiation of project documents such as the PPA. Djermaya Solar has also secured a €6.35m commitment from the EU-Africa Infrastructure Trust Fund (EU-AITF) to build a transmission line, substation and complete the other works necessary to connect Djermaya Solar to the grid.

Speaking at the signing, InfraCo Africa's Head of West Africa Business Development, Kodjo Afidegnon said: ***'We are excited to be working with our partners at the forefront of renewable energy in Chad. InfraCo Africa is uniquely able to fund high-risk projects in the earliest stages of their development so that they can complete activities, such as negotiating bankable PPAs, which are necessary to mobilise private sector investment. Working with our sister PIDG companies, Djermaya Solar demonstrates our commitment to investing into challenging markets, both here and across West Africa.'***

The project draws on the expertise of a range of government ministries, SNE, Agence des Energies Renouvelables au Tchad (ADER – Tchad) as well as the project company. Together they have worked

to build awareness of the project and negotiate the necessary legal and regulatory frameworks to make it a success. With the Environment and Social Impact Assessment (ESIA) expected to be concluded imminently, and the African Development Bank confirmed as mandated lead arranger for the project, the first 32MWp phase of the project is on track to start delivering power in 2020.

The Minister of Petroleum and Energy, Michel Boukar, explained during the signing ***'The Djermaya Solar project is important to us because it will help to increase electricity access in our country but also reduce our greenhouse gas emissions, both being strategic goals for the Government of Chad'***

#### Notes to editors:

Chad has an electrification rate of 8.8% ([World Bank Data](#)). The country's installed power generation capacity is insufficient to meet growing demand, with businesses and households experiencing regular power outages.

The Djermaya Solar project is drawing on public and private sector expertise through the involvement of PIDG company InfraCo Africa and the work of the project's cross-sector Task-Force comprised of representatives from the Ministries of Energy, Infrastructure and Finance, SNE (Chad's utility), Agence des Energies Renouvelables au Tchad (ADER – Tchad) and the Djermaya project partners.

Further information about the Djermaya Solar project can be found here:

[www.infracoafrica.com/project/djermaya-solar/](http://www.infracoafrica.com/project/djermaya-solar/)

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InfraCo Africa is 100% owned by the PIDG and is funded by:



#### InfraCo Africa

InfraCo Africa is part of the multilateral Private Infrastructure Development Group (PIDG). InfraCo Africa seeks to alleviate poverty by mobilising private investment into high-quality infrastructure projects in sub-Saharan Africa's poorest countries. It addresses the risks and costs of early-stage project development: funding teams of experienced developers and providing risk capital to those projects which need the financial commitment and leverage that InfraCo Africa can bring. To find out more visit: [www.infracoafrica.com](http://www.infracoafrica.com)

#### The Private Infrastructure Development Group (PIDG)

The Private Infrastructure Development Group (PIDG) encourages and mobilises private investment in infrastructure in the frontier markets of sub-Saharan Africa, south and south-east Asia, to help promote economic development and combat poverty. Since 2002, PIDG has supported 170 infrastructure projects to financial close, mobilising \$22.9bn in private sector investment and supporting new or improved infrastructure for 231 million people. PIDG is funded by donors from seven countries (UK, Switzerland, Australia, Norway, Sweden, Netherlands, Germany) and the World Bank Group. To find out more visit: [www.pidg.org](http://www.pidg.org)

### **Aldwych Africa Developments Ltd (AADL)**

AADL seeks to understand the need for electricity in a particular country and then provides the investment and expertise needed to develop the right solution. AADL's management team have extensive experience in developing renewable and fossil fuel-based technologies in sub-Saharan Africa. AADL's projects are developed to serve a market for 20 years or more. As a result, AADL believes in ensuring its work is centred in the local community and developed with integrity, a sense of fairness and transparency. The successful development of greenfield power projects in Africa also requires experience, innovation and patience: these qualities underpin AADL's culture and are brought by them to every project they develop, ensuring their projects serve the people they are designed for.

### **Smart Energies**

Smart Energies is a group specialized in the development, financing, construction and operation of renewable energy projects, mainly solar and hydro. Smart Energies owns more than 200 solar and hydroelectric sites in operation or under construction, through various investment vehicles, and develops solar and hydro projects in France, Italy, and developing markets in Africa, Middle East and Eastern Europe through its subsidiary Smart Energies International, which aims to deploy between 50 and 100 million euros in equity by 2021 in its projects.

To find out more visit: [www.smart-energies.eu](http://www.smart-energies.eu)

### **EU-Africa Infrastructure Trust Fund (EU-AITF)**

Created in 2007 by the European Commission and European Union Member States, the EU-AITF was the first EU 'blending instrument' with the objective of promoting infrastructure projects in sub-Saharan Africa with a regional impact. 'Blending' means combining long-term investments from development finance institutions (loans, risk capital etc) with grant monies to gain financial and qualitative leverage as well as project sustainability. Another objective of blending is the promotion of cooperation and coordination between European and non-European aid actors.

### **African Development Bank (AfDB)**

The overarching objective of the African Development Bank (AfDB) Group is to spur sustainable economic development and social progress in its regional member countries (RMCs) by mobilising and allocating resources for investment in RMCs, thus contributing to poverty reduction. The Bank's energy strategy focuses on seven key areas, implementing these priorities through a series of flagship programs such as: IPP procurement, power utility transformation, an early stage project support facility and related catalytic programs, mobile payment initiatives, and a regional project acceleration program. The aspirational goal of this priority area is to help the continent achieve universal electricity access by 2025 with a strong focus on encouraging clean and renewable energy solutions.

### **For further information please contact:**

Lorna McNae

Communications Manager, InfraCo Africa

[lmcnae@infracoafrica.com](mailto:lmcnae@infracoafrica.com)