

PRESS RELEASE:

### **100MW Kipeto wind power project reaches financial close**

- Kipeto project will be second largest wind power project in Kenya
- The project will supply 100MW of clean energy to the national grid as a significant contribution to Kenya's Vision 2030 and Big Four Agenda
- With support from USAID Power Africa, the project has developed and initiated a Biodiversity Action Plan, which is designed around the international best practice outlined in the IFC environmental performance standards

**Date: 18 December 2018, London:** Kipeto Energy Ltd ("Kipeto") today announced it has reached financial close following the acquisition by leading growth markets investor Actis of the respective equity interests of IFC, a member of the World Bank Group and African Infrastructure Investment Managers' ("AIIM"), a member of Old Mutual Alternative Investments.

The project is now funded by equity from Actis (88%) and Kenyan company Craftskills Wind Energy International (12%) alongside senior debt from the Overseas Private Investment Corporation ("OPIC"), the US Government's development finance institution.

Once operational, Kipeto, located in Kajiado county, as the country's second largest wind farm will supply 100MW of clean energy to the national grid as a significant contribution to Kenya's Vision 2030 and Big Four Agenda.

The Kipeto project was originally conceived by Craftskills Wind Energy International, with support from General Electric ("GE"). AIIM and IFC InfraVentures co-developed the project with Craftskills from 2014 until early 2018, executing a 20-year Power Purchase Agreement (PPA) with Kenya Power and Lighting in 2016.

The project is now preparing for the construction of 60 GE 1.7-103 wind turbines and a 17km (220KV) transmission line to carry the power to Isinya substation in Kajiado County, providing power to the equivalent of approximately 40,000 homes in the region.

It is anticipated that more than 400 job opportunities will be created during the construction phase of the project and an additional 70 permanent jobs during the operational phase.

Actis, IFC, AIIM and Craftskills worked with specialist consultants during both the planning and development stages of the project to undertake a series of environmental assessments and impact studies. With support from USAID Power Africa, Kipeto has developed and initiated a Biodiversity Action Plan, which is designed around the international best practice outlined in the IFC environmental performance standards.

**Dr. Kenneth Namunje, Director of Craftskills and Chairman and Director of Kipeto Energy Limited, highlighted the role of the local community:** "We would like to thank the local community for their support of this project from the outset. We have leased and secured more than 60 plots within the project area for the wind turbine footprint and the transmission line through voluntary participation of land owners, which

is a first for any project of this kind in Kenya, and we're constructing new houses for the families outside the project's 500m buffer zone, so local buy-in has been a vital component."

**Jumoke Jagun-Dokunmu, IFC Regional Director for Eastern Africa, said:** "We are delighted to have achieved what we set out to do in co-developing the project and mobilizing development-stage financing for the project's implementation. We have a long history with Actis which gives us complete confidence in their ability to guide the company through its next stage of growth and complete the project to the high standards established during the development phase of the project."

**Jurie Swart, CEO AIIM, commented:** "AIIM is proud to have laid the ground work for the Kipeto Wind Energy Project, which will be the second largest wind power project in Kenya, and to have partnered successfully with local developers and stakeholders in making an important contribution to the country's sustainable economic development."

**Lisa Pinsley, Director in the energy business at Actis, said:** "We thank IFC and AIIM for such a well-managed period of transition. We are excited about taking the Kipeto project forward and we are committed to maintaining the highest level of standards drawing on our 70 years of investing responsibly in Africa. The project will not only contribute significantly to the Government's Vision 2030 agenda but will also have a positive impact on the local community through the creation of jobs and provision of over 80 houses."

Overseas Private Investment Corporation ("OPIC"), the US Government's development finance institution, is the principal lender to the project. The African Trade Insurance Agency ("ATI") will provide a 10-year standby revolving and on-demand insurance cover to protect the project against the risk of payment delays by the national off-taker. The wind turbines will be provided by GE Renewable Energy who will also provide operations and maintenance services for the project, while China Machinery Engineering Corporation ("CMEC") will be providing Engineering, Procurement and Construction ("EPC") services. In addition, Haidco are construction equipment suppliers for the Project, as well as building partners for the new community housing.

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Notes to Editors:

### **About Actis**

Actis is a leading investor in growth markets, delivering consistent competitive returns, responsibly. It has a growing portfolio of investments across Asia, Africa and Latin America and has raised over US\$14bn since inception.

Actis has invested over US\$5bn in Africa and the global energy business has built 18GW of capacity providing access to power for over 80 million people.

Applying developed market disciplines to growth markets, an established team of c. 120 investment professionals in eleven countries identify investment opportunities in

response to two trends: rising domestic consumption and the need for sustained investment in infrastructure across private equity, energy and real estate asset classes.

Actis is a signatory to the United Nations backed Principles for Responsible Investment (UNPRI), an investor initiative developed by the UNEP FI and the UN Global Compact. Actis targets consistent superior returns across asset classes over the long-term, bringing financial and social benefits to investors, consumers and communities. Actis is a USAID Power Africa partner.

### **About AIIM**

AIIM, a member of Old Mutual Alternative Investments, has been investing in the African infrastructure sector since 2000 with a track record extending across seven African infrastructure funds. AIIM currently manages USD2.1 billion in assets across the power, telecommunications and transport sectors with operations in 15 countries across East, West and Southern Africa. AIIM's power portfolio extends across renewable energy and thermal power assets with a combined generation capacity of over 3,300MW.

As a leading infrastructure manager across Africa, central to AIIM's investment objectives and processes is its commitment to responsible investment. AIIM is committed to fulfilling fiduciary duties as the custodian of shareholders' and beneficiaries' long-term interests. In this regard, the environmental, social and governance (ESG) factors are fully integrated within AIIM's investment process to support the pursuit of creation of positive futures and obtaining sustainable, superior risk-adjusted returns for its clients.

### **About IFC**

IFC—a sister organization of the World Bank and member of the World Bank Group—is the largest global development institution focused on the private sector in emerging markets. We work with more than 2,000 businesses worldwide, using our capital, expertise, and influence to create markets and opportunities in the toughest areas of the world. In FY17, we delivered a record \$19.3 billion in long-term financing for developing countries, leveraging the power of the private sector to help end poverty and boost shared prosperity. For more information, visit [www.ifc.org](http://www.ifc.org)

### **About Craftskills**

Craftskills Wind Energy International Ltd (CS) is a fully Kenyan-owned wind turbine company founded in 2008. Its mission is to develop renewable power resources all over Africa for generation of electricity by applying best practice and making maximum use of resource capacities. Under the Feed in Tariff (FIT) policy in Kenya, CS was granted a license over the area of Oloiyangalani (Kipeto) sub-location, in the South Keekonyokei area in Kiserian, Kajiado Division in Kenya to develop a 100MW wind power project. This concessional area has a capacity of 250MW wind resource covering over 70 square kilometers. CS registered a special purpose vehicle in the name of Kipeto Energy limited (KEL) to develop the wind farm. The development process of KEL started in 2010 with GE, and subsequently with support from IFC, AIIM and Actis. Today CS owns 12% share of KEL providing the local partnership for project development and ownership and ensuring ongoing stability in the project deliverables.