
Press Release

Paris on September 25,

MBAKAOU: CAMEROON'S FIRST SMALL PRIVATE HYDROELECTRIC POWER PLANT

Following the recent financial close, IED Invest is delighted to announce the beginning of the construction phase of the 1.4 MW Mbakaou Hydro Power Plant. Based on the new Electricity Framework Act more favorable to renewable energy production, IED Invest decided to develop, build and operate a small hydroelectric power plant on the Mbakaou Carrière site, in line with the objectives of Cameroon authorities to promote private sector involvement in the production of renewable energy-based electricity.

With a total cost of EUR 6.8 million (XaF 4.5 billion), the project has benefited from a grant support from the State of Cameroon, the European Union. The remaining funds have been provided by the sponsor with the support of the French Facility for Global Environment (FFEM) and BGFI, one of the largest commercial banks in Francophone Africa, which provided around EUR 1.78 million debt financing. Finergreen acted as the exclusive financial advisor of this project.

The Mbakaou Carrière project is a good example of the liberalization of the electrification of Cameroon. Denis Rambaud Measson, co-founder of IED Invest, said: *"Aware of the challenges ahead, we wanted, from the outset, to establish sustainable partnerships in order to successfully develop the Mbakaou Carrière project, which constitutes, in our knowledge, the first project of less than 5 MW in Cameroon carried by a private operator, combining electricity generation by renewable energy and rural electrification"*.

As of end 2020, the small hydroelectric plant will cover two main localities (Tibati and Mbakaou) and six small towns (Makendao, Boninting, Liboum, Naskoul, Gantang and Comb). The project will connect 300 new households in the 6 unelectrified communities, 1,500 new households in the already electrified communities of Tibati and Mbakaou, and enable a reduction of 3200t of CO2 emissions in the first year. The injection of electricity onto the distribution network from the hydroelectric plant will reduce the power outages currently faced by users, by increasing the quality of the electrical service. The operation and management of this plant will be carried out by IED Invest Cameroon that will sell the electricity to ENEO, as part of a 20-year power purchase agreement (PPA) from the commissioning date.

Jean-Jacques Ngono, Managing Partner of Finergreen Africa, explains: *"We are glad to have been able to contribute to the realization of this impactful project. It is the first of its kind in Cameroon, gathering the private and public sectors to increase the energy access in rural area. Last but not the least, the project has been founded in local currency by a local bank with a non-recourse loan"*

About IED INVEST

IED is an independent consulting and engineering firm. IED has been involved in the provision of sustainable energy services since its incorporation in 1988. Its involvement extends from the study phase right through to the construction and commissioning of infrastructure such as distribution networks and renewable energy production plants.

The main activity of IED is engineering of small-scale electrical systems (less than 5 MW). But the group has gradually adapted its activities as a developer. In that objective, IED INVEST was created in 2010 with the assignment of developing, financing and operating small scale renewable energy projects.

About BGF BANK

BGFI Bank is a large financial services conglomerate in Central, West and East Africa, with subsidiaries in ten countries. The member institutions serve both individuals and businesses, with emphasis on small-to-medium enterprises (SMEs). BGFI Group was rated the first-largest bank group in Central Africa, by assets.

About FINERGREEN

Finergreen is a financial advisory boutique specialized in the renewable energy sector (solar, wind, hydro, biomass). Founded in 2013, the company has already realized EUR1,5 billion of transactions representing 2 GW of assets.

With over 30 people based in 6 offices all over the world, the company provides Mergers & Acquisitions, Project Finance and Strategic Advisory services.

www.finergreen.com