



Financing Power Projects

A Specialized African Bank with Diverse Shareholders

A multilateral, treaty-based financial institution with immunities and privileges like the African Development Bank (AfDB) and the World Bank Group. TDB has a double legal domicile: in Mauritius and Burundi.

Shareholder base: 22 regional Member States across COMESA, SADC, EAC, including most IGAD and IOC countries; the AfDB as a strategic institutional shareholder, the People's Bank of China, The Development Bank of Belarus("JSC") and non regional institutional shareholders.

TDB Member States



TDB's Shareholders (October 2019)

Country / Institution			
African Sovereign/ Member States			
Burundi	1.53%	Mauritius	3.13%
Comoros	0.16%	Mozambique	1.30%
Djibouti	0.36%	Rwanda	1.86%
Congo DRC	5.34%	Seychelles	0.33%
Egypt	6.63%	Somalia	0.20%
Eritrea	0.15%	South Sudan	2.10%
eSwatini	0.25%	Sudan	5.02%
Ethiopia	6.63%	Tanzania	6.41%
Kenya	6.63%	Uganda	4.88%
Madagascar	0.17%	Zambia	5.70%
Malawi	1.64%	Zimbabwe	6.03%
Member Countries			
People's Bank of China	7.61%	Development Bank of Belarus	1.15%
Institutional Shareholders			
AfDB	9.18%	NSSF Uganda	2.82%
Africa-Re	0.74%	OFID	1.96%
BADEA	0.91%	RSSB	2.92%
BNI	0.85%	SACOS	0.12%
Mauritian Eagle Insurance	0.26%	Seychelles Pension Fund	0.98%
NPF - Mauritius	1.70%	ZEP-RE	0.79%
TDB Directors, Staff and Provident Fund			
Directors & Stakeholders Providend Fund	0.10%	Staff Providend Fund	1.45%



TDB Products

Trade Finance

Short term working capital requirements for up to three months

Projects & Infrastructure Finance

- ***Longterm financing requirements with tenors above 3 years and up to 15 years***
 - ***Grace period on principal matched to the construction period of up to three years***
 - ***Sectors financed: Power; Transport; ICT; Manufacturing; Health; and Education***
 - ***Debt provided on Project Finance (Limited Recourse) or Corporate finance***
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Some Power Projects Financed by TDB



\$10 million

**Bilateral Loan
Hydromax Limited
Buseruka**

**9MW Hydro
2008**



\$12.7 million

**Bilateral Loan
Hydromax Nkusi Limited
Waki River**

**4.8MW Hydro
2016**



\$13.7 million

**Bilateral Loan
PA Technical
Nkusi River**

**9.6MW Hydro
2017**



\$11 million

**Bilateral Loan
SM Hydro Limited
Muyembe River**

**6.9MW Hydro
Under Construction**



\$12 million

**Bilateral Loan
Rift Valley Energy**

**9MW Hydro & Wind
Under Construction**



\$20.8million

**Bilateral Loan
Giciye III Rwanda**

**7.2MW Hydro
Ongoing**



\$60 million

**Bilateral Loan
Symbion Power**

**35MW Geothermal
Ongoing Project**



\$22.0 million

**Syndicate Loan
Quantum Power East
Africa**

**35MW Geothermal
Ongoing Project**



\$50million

**Bilateral Loan
Yumn Limited Rwanda**

**80MW Peat
2015**



€20.0 million

**Syndicate Loan
Lake Turkana Wind
Power Project**

**300MW Wind
2014**

TDB experience

TDB Experience on Power Projects

- **Technical Risk:** One project's geotechnical profile was not properly appraised leading to 50% cost overruns.
- **Transmission/Interconnection Risk/Grid Stability:** Some projects have been completed before T-Line Completion. Proper allocation of this risk required.
- **Deemed Energy:** To cover fixed operating costs as well as debt repayment. If output is "curtailed", energy should be calculated and paid for on a "deemed" delivered basis.
- **Cost Reflective Tariff:** Adequately cover the cost of operating the facility, repay the debt and provide a reasonable return on equity.
- **Sponsor Financial Strength:** Local sponsors partnering with strong local international partners to provide equity – debt/equity 70/30 preferred. Cap on Sponsor development costs/premium.



TDB experience

TDB Experience on Power Projects

- **GetFIT Program:** Result based incentive 50% paid on completion and 50% over the first 5 years period. Standardised documents thus more efficiency in closing.
- **Dispute Resolution:** Agreements to provide for arbitration in a neutral location, under rules generally acceptable to the international community (e.g. UNCITRAL or LCIA or ICC).
- **Termination and Termination Payments:** if the PPA is terminated for any reason, then in case of transfer of the facility to the offtaker, the offtaker shall provide a termination payment at least equal to the full amount of IPPs debt balance, and in the case of the offtaker's default, a return on equity.
- **Assignment:** The PPA should allow collateral assignment of the agreement to the lenders with the right to receive notice of any default and to cure such default with step-in rights between the lenders and the offtaker.
- **Oftaker Payment Support:** Depending on the size and creditworthiness of the offtaker



TDB requirements

Regulatory environment

- **Regulation in place for IPPs allowing for proper allocation of risk between the IPPs, lenders and utility companies**
 - **Standard Bankable Power Purchase Agreement**
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Bankable Feasibility Study

- **Technical aspects**
 - **E&S (IFC Performance Standards)**
 - **Financial Model**
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EPC and O&M

- **Fixed price, date certain EPC contract. Contractor with good technical and financial track record**
 - **Experienced O&M**
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TDB requirements

Credit worthy offtaker

- ***Offtaker has demonstrated capacity and ability to pay for power delivered***
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Total Projects costs

- ***Within a certain benchmark per MW***
 - ***Debt:Equity 70:30 preferred, equity first***
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KYC

- ***Project Promoters (Individuals)***
 - ***SPV and any of its affiliate***
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Due Diligence cost

Facility Fees

- ***Standard Appraisal and Facility/ Arrangement Fees depending on the size of the project***
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Lenders Technical Advisors

- ***Technical aspects***
 - ***E&S***
 - ***Financial Model/Commercial Aspects***
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Legal Costs

- ***Negotiation of the Facility Agreements***
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We look forward to partnering with you
Thank you