

MPANDA

PROJECT SUMMARY

Developer Hydroneo East Africa Ltd is looking to reach financial close on its 10.2MW run-of-river hydro project in Burundi by 2023 thanks to a USD 1 million development loan from REPP.

Construction of the power plant in Bubanza Province in north-western Burundi would then take an estimated 12-18 months from financial close to reach commercial operation. Mpanda Hydropower will be among the first hydro IPPs to come to market in Burundi, thereby holding significant demonstration impact and paving the way for greater private sector participation.

Today, Burundi is one of the least electrified countries in the world, with estimates putting national electrification at 11.7% and total installed capacity at 87MW. Once operational, the Mpanda plant will increase Burundi's annual power production by over 10%, in the process easing the increasing gap between power demand and supply in the country while supporting its sustainable development targets.

The Mpanda project originally began as a government-led initiative to build a hydropower dam, with construction work starting on earlier designs in 2012. However, works were halted in 2015 due to a funding shortfall.

The project was subsequently handed over to the private sector to redesign as a run-of-river project under a 25-year build-own-operate-transfer ("BOOT") concession with the Burundi government. Hydroneo's revised design involves a 10-metre weir, reducing the area under flooding from 100ha to 5ha, and requiring no population resettlement.

REPP's development loan is being used to co-finance outstanding development works necessary for achieving financial close, including a bankable ESIA and detailed feasibility study. Reaching financial close will unlock a further USD 25 million in senior debt for construction of the plant, including a potential ~USD 4 million construction loan from REPP.



Country policy alignment

REPP's investment in Mpanda supports Burundi's Updated NDC (2021) conditional target to reduce GHG emissions by 23% by 2030. The project is also listed in the Updated NDC as a priority project to help Burundi meet its unconditional 3% GHG emissions reduction target. It is also listed as a priority initiative in the National Development Plan (2018) and represents strong support for the country's vision for sustainable development.



Location

Bubanza Province, north western Burundi

AT A GLANCE

Technology:

Run-of-river hydro



Project type:

Grid-connected

Offtaker:

Regie de Production et de Distribution d'Eau et d'Electricite ("REGIDESO")

KPIs



GHG emissions avoided: 18,495 tCO₂e per year



Improves stability of grid supply



Planned capacity: 10.2MW

FUNDING STRUCTURE

Signed: 25 September 2020

Type: Development loan

REPP funding: USD 1 million

SDGs

7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



11 SUSTAINABLE CITIES AND COMMUNITIES



13 CLIMATE ACTION



17 PARTNERSHIPS FOR THE GOALS



"The Mpanda project embodies our key values at Hydroneo: building clean energy projects with strong social contributions and a positive environmental impact. It was designed to help bring the National Development Plan of Burundi to life with the construction of health and education facilities and is a first step in our long-term partnership with the Government of Burundi. We are thrilled to join forces with REPP and our local partners to serve the ever-growing needs of Burundi's families and businesses."

Samuel Zekri, CEO, Hydroneo