



**Lessons Learnt Developing Hydro Projects**  
**IPS Experience – Ruzizi III**



## About IPS (K)



- Regional presence, 1963
- Shareholders
  - AKFED (50.1%), DEG & IFC (29.9%)
- Businesses, ≈8,500 employees
  - Printing & pack; textile; food & agri-process; pharma, etc
  - Infrastructure
    - Kipevu 75MW;
    - West Nile Rural Electrification Co. Ltd.
    - 250MW Bujagali HEP
    - 147MW Ruzizi III
    - 50MW Tororo Solar PV





## About IPS (K)



- Part of AKFED
  - For profit agency/long-term investments
    - Align with govt. policies
    - Catalytic role
    - Strong social conscience – development and profit
  - 23 countries & >40,000 staff
    - Africa and Asia
  - 90 Project companies
  - Control assets >\$30b
  - Long-term investor



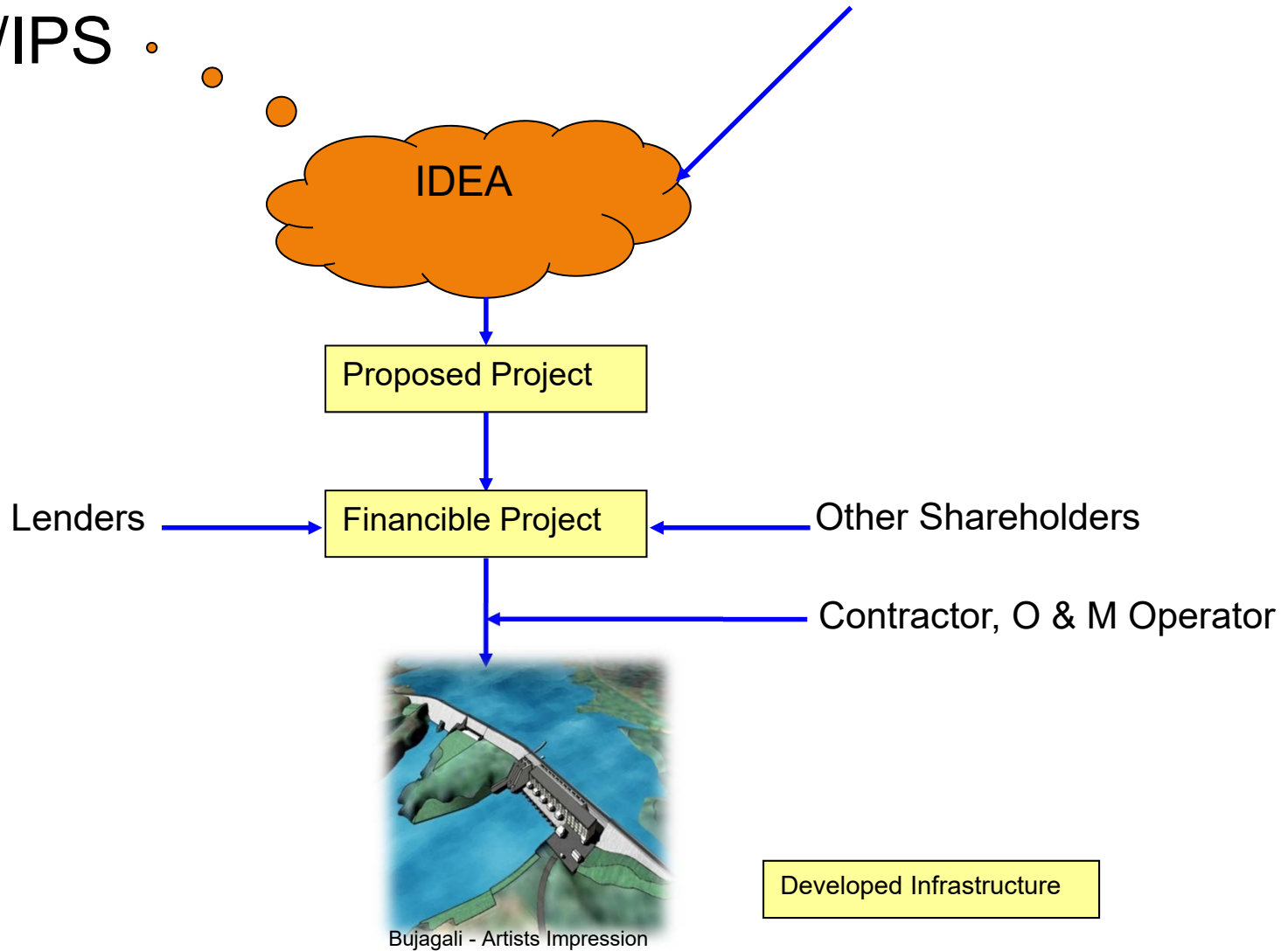


# IPS/AKFED Business Model



AKFED/IPS

Technical Partner



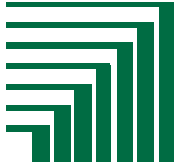


# Selected IPS Experience



- 75MW Kipevu II – on budget/time
- 250MW Bujagali HEP - on budget/time
  - 1<sup>st</sup> August 2012 COD
  - 99.1% availability (96% target)
    - 99.8% (2015 to-date)
  - ≈ 50% of Uganda's Energy
  - Eliminated load-shedding/subsidies
  - 9.5% p.a. increase in energy sales
    - 2,277 GWh (2014)
  - 12.5% p.a. increase in customer
    - 651,000 (2014) from 458,000 (2011)
  - 63% plant factor (66.5% YTD 2015)
  - CDM registered - 860,000 CERs p.a.
    - 3.16m CERs upto 30/09/2015





# Bujagali – Key Lessons



- Sponsor procurement process
  - Hydrological & Geotechnical
  - T-Line risks
- EPC model preferred
  - “Pass-through” model works
  - Sponsor capacity is key
  - Avoid public opening
- Government/Regulatory role
  - Govt. buy-in crucial
  - Capacity is key
  - Obsolescence bargaining
- Financing
  - Avoid “herd” mentality
  - Coordinate “Inspection Panels”

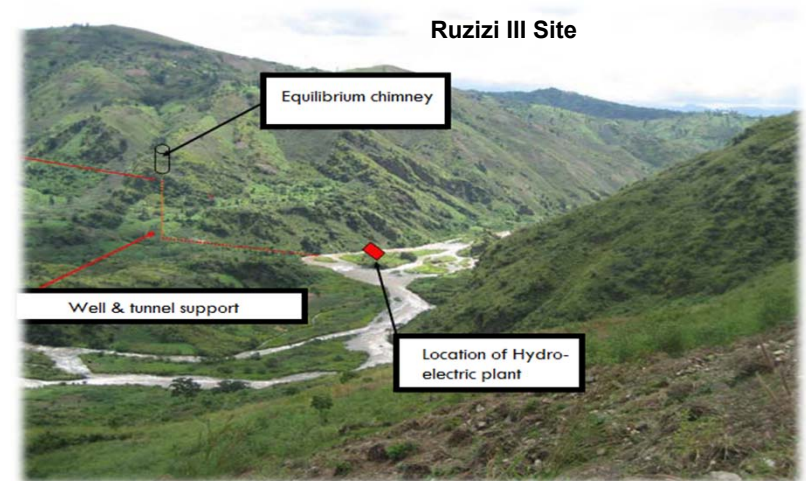




# Ruzizi III – 4 Key Lessons ...



- Complex Project
  - Legal/regulatory frameworks
  - Fiscal/tax policies
  - T-Line risks
  - “Low” DRC tariffs a millstone
  - CS multiple roles – confusing!
- EGL/CS capacity
- Roles of DFI/MDI
  - Blended finance for sustainability
  - Efficient access important
  - Bridge Public/Private sector divide
  - Better coordination crucial
- Project development environment
  - Stability important





IPS

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