

## **EDF, IFC and the Republic of Cameroon sign final and binding agreements for the construction of the Nachtigal hydroelectric dam in Cameroon.**

On the 8th of November 2018, EDF, one of the world's leading electricity companies, IFC, a member of the World Bank Group, and the Republic of Cameroon signed final and binding agreements for the construction of the Nachtigal hydropower plant.

The project entails the design and construction of a 420-MW hydropower project on the Sanaga river near the Nachtigal Falls, located 65 km to the north-east of Yaoundé, as well as the operation of this facility for a period of 35 years. It also includes the construction of a 50-km power transmission line. The project will be owned and operated by NHPC (Nachtigal Hydro Power Company), currently owned by EDF (40%), IFC (30%) and the Republic of Cameroon (30%).

A cornerstone of Cameroon's electricity sector development plan, Nachtigal is a national priority which will enhance the reliability of the country's power system. Its expected power generation will cover 30% of the country's electricity demand, amounting to an annual output of nearly 3TWh. The power generated by the project will be sold to the grid operator via a Power Purchase Agreement at a competitive tariff, thereby benefitting Cameroonian consumers. The project will generate substantial economic benefits: up to 1,500 direct jobs during peak construction periods, of which 65% will be locally sourced within a 65-km radius of the construction site.

This signing marks the conclusion of all key agreements and contracts relating to the construction, operation, and financing of the infrastructure. This was achieved thanks to complementary skills of the three shareholders: EDF's unparalleled technical capabilities in hydro power schemes, IFC's sector knowledge and structuring capabilities for large infrastructure projects in Emerging Markets, and the Government of Cameroon's support for the development of a strategic asset for the country.

The project's expected total cost is €1.2 billion. Shareholders' equity will fund a quarter of the project cost while the rest will be funded by lenders. The lender group coordinated by IFC includes 11 development finance institutions and 4 local commercial banks. IFC was involved as a partner at an early stage to help develop the project through IFC InfraVentures and is the global coordinator of the financing package. Nachtigal will be the largest hydropower project ever built in Africa through project finance, a funding scheme that has already proven effective in the renewables sector, and the largest hydropower project supported by the World Bank Group in Africa.

With 430 hydroelectric operations around the world, the EDF Group undertakes to apply the highest standards of safety as well as social and environmental responsibility. Along with the construction of the dam, there will also be a regional socio-economic development programme, built around initiatives identified through consultations with local stakeholders. EDF will be harnessing its experience from the Nam Theun 2 dam project in Laos where it provided socio-economic support, recently recognized by independent experts.

Construction will begin by the end of 2018, when the financial closing is completed. The dam is due to be commissioned in 2023.

Jean-Bernard Lévy, EDF Chairman and Chief Executive Officer: *"EDF is proud that the state Cameroon has recognized EDF's expertise as a standard-bearer hydropower company by entrusting us with this low-carbon project that is low-carbon, key to the country's development and compliant with the highest standards of social and environmental responsibility. The signing of these agreements will strengthen the Group's position in Africa, a continent where we have been active for more than 50 years and which is of strategic importance for expanding our business. The Nachtigal project is a contributor to two key objectives of our Cap 2030 strategy: tripling our share of business outside Europe and doubling our renewable capacities worldwide by 2030."*

Sérgio Pimenta, IFC's Vice-President for the Middle-East and Africa, said: *"Nachtigal is a landmark project for Cameroon that has benefited from IFC's ability to collaborate with the other World Bank Group institutions: the International Bank for Reconstruction and Development, IBRD, and the Multilateral Investment Guarantee Agency, MIGA. Nachtigal will increase Cameroon's electricity generation capacity by 30 percent through clean, low-cost energy. It is an example of how IFC is creating markets that can transform the lives of millions."*

*The lending syndicate is comprised of (in alphabetical order): African Development Bank, Africa Finance Corporation, Agence Francaise de Developpement, Attijariwafa SCB Cameroon, BICEC, CDC Group, DEG, PIDG company - the Emerging Africa Infrastructure, European Investment Bank, FMO, International Finance Corporation, OFID, Proparco, Société Générale Cameroun, Standard Chartered Bank Cameroon.*

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#### **About EDF**

A key player in energy transition, the EDF Group is an integrated electricity company, active in all areas of the business: generation, transmission, distribution, energy supply and trading, energy services. A global leader in low-carbon energies, the Group has developed a diversified generation mix based on nuclear power, hydropower, new renewable energies and thermal energy. The Group is involved in supplying energy and services to approximately 35.1 million customers, of which 26.5 million in France. The Group generated consolidated sales of €70 billion in 2017. EDF is listed on the Paris Stock Exchange.

#### **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 fiscal year 2018, we delivered more than \$23 billion in long-term financing for developing countries, leveraging the power of the private sector to end extreme poverty and boost shared prosperity. For more information, visit [www.ifc.org](http://www.ifc.org)

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EDF SA  
22-30, Avenue de Wagram  
75382 Paris cedex 08  
Share capital of 1 463 719 402 Euros  
552 081 317 R.C.S. Paris s

[www.edf.fr](http://www.edf.fr)

#### **CONTACTS**

**EDF press office:** 01 40 42 46 37  
EDF analysts and investors: 01 40 42 40 38  
**IFC press office :**  
Lawrence Mensah: +12025693322 ; [lmensah@ifc.org](mailto:lmensah@ifc.org)  
Laura MacInnis: +12024736978 ; [lmacinnis@ifc.org](mailto:lmacinnis@ifc.org)