

# Stakeholder Update

March 2019

**Developer, Builder, Owner & Operator of sustainable power generation assets in Sub Saharan Africa**



## ElectriFI commits US\$3.5m development funding to Bumbuna II

The European Commission's ElectriFI, the Electrification Financing Initiative, has committed development capital to help finance part of the external development expenses needed to reach financial close. ElectriFI commented "Bumbuna II is crucial for the Government of Sierra Leone to stimulate its energy sector and support its economic growth strategy."

## Lenders' kick-off meeting held in January

Lenders and their technical and E&S advisers Mott MacDonald and legal advisers Shearman & Sterling joined the Joule Africa and Seli Hydropower team in London in order to be updated on the progress of the Bumbuna II project. The full-day meeting marked the launch of the lenders' due diligence process.



## Due diligence trip to Sierra Leone in February produces no E&S red flags

As part of their technical and E&S due diligence, Mott MacDonald visited Sierra Leone at the end of February. The Mott MacDonald team visited the Chiefs and the Communities around Bumbuna and around the proposed inundation area near Yiben. Mott MacDonald have now provided their feedback which will be incorporated into our planning ahead of Financial Close. It was encouraging to learn that no material concerns were raised relating to environmental and social issues.

A draft of the Biodiversity Action Plan has been circulated to interested lenders, investors and advisers. Publication of the final Biodiversity Action Plan is expected shortly.

## Community consultation on housing and land in March

Following on from the land transfer ceremonies held in August last year, local company Realini Bada Associates has been appointed to provide options for the housing design and town planning, while a local joint venture comprising Realini Bada and Mowepewa is tasked with surveying the land suitability.

During the second half of March, Seli Hydropower, together with Realini Bada and Mowepewa, are consulting on both the housing and land with those communities involved in the first phase of resettlement. We continue to ensure that the full aspects of the resettlement process are aligned with IFC's Performance Standard 5.

## Successful translocation of River Weed



Following the discovery of a river weed which appears to be unique to the project area - *Ledermanniella yiben* – Joule Africa and Seli Hydropower have adopted a three-pronged strategy to ensure it continues to flourish: firstly, continue

to look for other areas where it may be growing naturally; secondly, translocate it to other areas with similar conditions; and thirdly, propagate the river weed under similar conditions at Kew Botanical Gardens. It is encouraging that the translocation trials have been successful and the trial at Kew Gardens is now underway. The team continues to look for evidence of the riverweed growing in other areas.

## Meeting Centres completed to support community engagement



Seli Hydropower has recently completed two community meeting centres - one at Kamathor, in the southern part of the project area near Bumbuna, and another in the northern part of Kamayegeh near the inundation area.

Stakeholder committees will meet; public consultations will take place; and information about the project will be available at these meeting centres.

## Seli Hydropower starts detailed community survey for the second phase of resettlement

In preparation for the second phase of resettlement, Seli Hydropower and social consultants SRK and CEMMATS are currently in the field conducting a comprehensive survey across all project-affected communities within the inundation area.

As well as assessing the exact number of people, households, assets and land for the purposes of livelihood restoration, there will be further discussions to understand what the communities are interested in securing in terms of future community development.



## Seli Hydropower continues to build up its organisation

Seli Hydropower continues to build up its organisational capacity in preparation for the two phases of resettlement; the start of project construction; and the implementation of the Biodiversity Action Plan. Community Liaison Assistants are supporting community engagement in the project area and a new Finance Manager has been recruited.



Jim Cranfield (pictured) joined Seli Hydropower in March as Infrastructure and Housing Construction Manager. Several other key appointments will be made shortly.

## Kpep Feasibility Studies completed

Environmental & Social, Geotechnical, Hydrological, Design and Engineering and market studies and the first phase Feasibility Report have been completed. The Report has now been submitted to the Government of Cameroon and is soon to be presented to local stakeholders, after which key commercial terms will be discussed with the Government of Cameroon. The scheme has been optimised with an installed capacity of 285MW which meets local requirements for guaranteed power and dry season production. An ESIA consultant for next phase studies has also been selected following an international tender process and the contract is expected to be finalised and work to commence shortly.



## A Perspective from the CEO

It's been a busy start to 2019 with both the Bumbuna II and Kpep projects reaching crucial milestones.

Financing of Bumbuna II is well underway. Lenders are mandated for \$370 million and due diligence is ongoing. Their technical and E&S advisers have already conducted a site visit and will shortly be issuing first draft reports.

In the meantime, the project team at Seli Hydropower is implementing the first phase of the resettlement action plan and planning for the second. Supported by the US\$3.5m committed by ElectriFI, it is exciting to see the changes taking place in the project area – bridges and meeting centres are being built; project offices are being established; and communities living in the inundation area are being consulted as part of the second phase of resettlement.

And at Kpep, with the completion and submission of the Feasibility Report, we are now seeking to update and extend the term of the Project Development Agreement with the Government of Cameroon and to negotiate key terms of the Power Purchase Agreement. At the same time, we are starting the next phase of environmental and social impact assessment.

At Joule we aim to improve people's livelihoods and stimulate economic growth by providing affordable reliable electricity. And we're proud of our approach to business – to be honest, fair, collaborative, determined and responsible. I believe we're seeing the fruit of this approach in the progress we're making on our projects.

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