

## **British International Investment to invest up to \$200 million in African hydropower alongside Norfund and Scatec**

- *The UK's DFI is entering into the Norwegian DFI's Joint Venture with Scatec, a leading renewable energy solutions provider, to invest in hydropower projects across Africa in huge boost to continent's renewable energy*
- *The JV's investments are expected to support the creation of 180,000 jobs, avoid at least 270,000 tCO<sub>2e</sub> of GHG emissions annually, and could provide enough clean electricity to meet the equivalent demand of over 3 million people.*
- *Pipeline of new projects to be developed including the first tri-national PPP in Africa (Ruzizi III HPP) and Malawi's largest power plant (Mpatamanga HPP) amongst others*

British International Investment, the UK's development finance institution, is joining Norfund, the Norwegian Investment Fund for developing countries, in its joint venture with Scatec ASA to provide capital for Africa's hydropower sector.

This will be the largest investment in hydropower in BII's 74-year history, with up to \$200m of capital committed over the next several years. Norfund is seeding the partnership with their existing share in their joint venture with Scatec and further capital commitments of up to \$100m over the next several years.

The investment extends and compliments BII's and Norfund's existing commitments and partnerships to powering Africa, through Globeleq, a 2.3GW IPP company in which BII and Norfund are shareholders, and the joint investment the two development finance institutions have in H1 Capital – a South-African black-owned and managed renewables investment and development company.

Norfund and BII now together hold a 49% stake in Scatec's African hydropower portfolio, which includes a mixture of operating assets as well as a number of assets under development, including the proposed 205MW Ruzizi III hydropower plant, which will provide power to Rwanda, Burundi and DRC, the 120MW Volobe hydropower plant in Madagascar and the 350MW Mpatamanga project in Malawi among others. All assets under development are aligned with the Paris agreement and demonstrate the partnership's commitment to supporting the respective countries in their net zero pathways.

The various pipeline projects will be designed and constructed over the next several years. BII estimates that in a decade the clean electricity provided by the JV's new assets could support the creation of at least 180,000 further jobs, avoid at least 270,000 tCO<sub>2e</sub> of GHG emissions annually, and meet the equivalent demand of more than 3 million people.

BII is entering a new five-year strategy period. The new strategy will see it invest between £1.5 and £2 billion per annum, with at least 30 per cent devoted to climate finance.

Norfund was instrumental in building the company known as SN Power into a leading hydropower company in developing countries, which was then sold to the Norwegian renewable energy developer Scatec in January 2021. The parties agreed to collaborate on SN Power's projects in Africa, under new Scatec ownership, whereby Norfund retained a 49 percent stake, which will now be shared with BII.

**UK Minister for Africa, Vicky Ford**, said: "British International Investment is helping to deliver on the UK's vision for the Clean Green Initiative, by providing capital to power inclusive economic sustainability across Africa. Investing to bolster Africa's hydropower sector is a strong step toward helping to meet the energy demands of three million people in countries most at risk to the impacts of the climate emergency. Through these projects, UK finance will enable job creation and drive clean productive growth across the continent."

**Chris Chijiutomi, Managing Director, Head of Infrastructure Equity, Africa & Pakistan at BII**, said: "Hydropower is critical for providing clean baseload and peaking power, especially in landlocked countries in Africa, as the continent countries transition away from fossil fuels towards a net zero future. BII along with its partners will play a key role in providing inclusive and sustainable finance to support hydropower in sub-Saharan Africa. It is great that we are partnering with Norfund and Scatec in this partnership."

**Mark Davis, Executive Vice President Clean Energy in Norfund**, said: "The expansion of dispatchable renewables is critical to support the integration of more wind and solar energy in Africa. We are delighted to be able to join forces with BII in our partnership with Scatec, to further scale up our ability to provide clean and affordable energy through hydropower, enabling economic development and job creation, while avoiding emissions."

**Terje Pilskog, CEO at Scatec**, said: "We are excited to have British International Investment join our venture with Norfund and this is testimony to the importance of hydropower across Africa. This strong partnership and investment by BII will support our concerted effort to boost the continent's renewable energy drive and deliver affordable and clean energy to the world."

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**About BII**

1. *British International Investment is the new name for the UK's development finance institution and was formerly known as CDC Group.*
2. *British International Investment is a trusted investment partner to businesses in Africa, Asia and the Caribbean. It invests between £1.5 and £2 billion every year to support the UK Government's Clean Green Initiative and to create productive, sustainable and inclusive economies in our markets*
3. *British International Investment plays a key role in the UK Government's wider plans to mobilise up to £8 billion a year of public and private sector investment in international projects by 2025.*
4. *Over the next five years, at least 30 per cent of BII's total new commitments by value will be in climate finance. This will make it one of the world's largest climate investors in Africa.*
5. *BII is also a founding member of the [2X Challenge](#) which has raised \$10bn to empower women's economic development.*
6. *The company has investments in over 1,000 businesses in emerging economies and total assets of £6.8 billion.*

[www.bii.co.uk](http://www.bii.co.uk)

### **About Norfund**

Norfund is the Norwegian Investment Fund for developing countries. Our mission is to create jobs and to improve lives by investing in businesses that drive sustainable development. Norfund is owned and funded by the Norwegian Government and is the Government's most important tool for strengthening the private sector in developing countries, and for reducing poverty.

Norfund's committed portfolio totals 3.1 billion USD in Sub-Saharan Africa, South-East Asia, and Central America. Norfund has four investment areas: Clean Energy, Financial Institutions, Scalable Enterprises and Green Infrastructure.

For more information, please visit: [www.norfund.no](http://www.norfund.no)

### **About Scatec ASA**

Scatec is a leading renewable energy solutions provider, accelerating access to reliable and affordable clean energy in high growth markets. As a long-term player, we develop, build, own and operate renewable energy plants, with 3.5 GW of installed capacity across four continents today. We are targeting 15 GW of renewable capacity to be in operation or under construction by the end of 2025, delivered by our 600 passionate employees who are driven by a common vision of 'Improving our Future'. Scatec is headquartered in Oslo, Norway and listed on the Oslo Stock Exchange under the ticker symbol 'SCATC'.