

Eranove to operate Kenié hydro-electric dam in Mali

The Eranove Group, through its Kenié Energie Renouvelable subsidiary, has signed a 30-year concession agreement with the government of the Republic of Mali.



Under the agreement the group will finance, develop, build and operate the Kenié hydro-electric dam located in Baguinéda on the Niger River, 35km east of Bamako.

This agreement represents an important step forward for the Eranove Group. The group's managing duo of Vincent Le Guennou, co-CEO of Emerging Capital Partners (ECP) and chairman of the board of directors of the Eranove Group, and Marc Albérola, CEO of the Eranove Group, travelled to Bamako in Mali, specifically to get the project up and running.

The signing of the concession agreement is likewise an important move for the Republic of Mali. According to World Bank estimates, the country's current installed power capacity of approximately 414MW covers only half of potential demand. The Kenié hydro-electric facility, with its installed capacity of 42MW, will help Mali respond to this energy challenge. Initial simulations suggest that the Kenié dam could produce around 175GWh, which is equivalent to the average annual consumption of 175,000 households.

Abundant supply

"With an estimated potential of 400,000MW, hydro-electric power is one renewable energy source that is in abundant supply in Africa. As part of the regional integration of power transmission networks, hydro-electricity can play a key role in increasing power generation capacity. And we mustn't forget micro and pico hydro-electricity either," said Albérola.

"These small hydro-electric facilities can supply power to villages or groups of villages in remote areas far away from interconnected transmission systems. Hydro-electricity is a renewable and competitive source of power in terms of production costs, and could even play a role in the financial balancing of power sectors and in meeting demand. This would prove hugely beneficial both for local populations and for regional industrial development."

The signing of the concession agreement comes after several years of cooperation between the Republic of Mali's Ministry of Energy and Water and IFC InfraVentures. IFC is a member of the World Bank Group and is the largest global development institution focused exclusively on the private sector in developing countries. Working together, these institutions conducted preliminary feasibility studies followed by an international call for tenders, which resulted in the selection of the Eranove Group as a strategic partner.

Significant milestone

The agreement of 18 June 2015 is a significant milestone in the implementation of the project, as the financing of the project - estimated at €110m - can now get under way. According to the current project schedule, construction is due to begin in 2016 and the dam would be put into operation in 2020. The dam will then be operated under a concession agreement by Kenié Energie Renouvelable, a new subsidiary of the Eranove Group, whose shareholders will also include IFC InfraVentures.

Supported by ECP, a pan-African leader in private equity investment that has raised over \$2.5bn in assets for the continent, the Eranove Group is embarking on a new stage in its pan-African development.

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