



Rwanda: EIB confirms commitment to Ruzizi III hydropower project

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The European Investment Bank, the long-term lending institution of the European Union and world's largest multinational lending body, today confirmed that it will work closely with financial preparation of the Ruzizi hydroelectric project to be launched later today in Kigali. This marks the start of a second financial stage of preparations in the Ruzizi project. Leading development finance institutions who recognise the scheme's clear potential contribution to electricity generation in the Great Lakes region will now discuss possible financing of the project, following completion of detailed technical feasibility studies.

The European Investment Bank and European Union have played a leading role in bringing together political and financial support for the project and examining the technical, institutional and financial feasibility of building a 147 MW hydropower plant on the Ruzizi River. This landmark scheme has the potential to transform electricity supply to Rwanda, Burundi and the Democratic Republic of Congo, and would represent the first public-private sector energy engagement in the Great Lakes region.

The Ruzizi project has the potential to transform energy availability for an estimated 107 million people living in the Great Lakes region. Energy use is currently dominated by use of charcoal for cooking and electrification can contribute significantly to economic development.

The European Investment Bank will participate in a round table meeting being held in Kigali that brings together regional ministers and potential donors and investors. The Kigali round table will examine the recently completed feasibility and organisational studies and can now discuss possible financing of the project. This meeting will be hosted by E.G.L., Energie des Pays des Grands Lacs, which is responsible for promoting cooperation in the energy sector between countries of the Great Lakes region. Representatives from the European Union, African Development Bank, World Bank, KfW, Agence Francaise de Developpement, Proparco and other international development finance institutions will attend.

Ministers of Water from Rwanda, Burundi and the Democratic Republic of Congo attend the two-day round table meeting to formally approve the creation of a water management basin agency for the Lake Kivu basin and a new international treaty setting up the institutional framework to develop the Ruzizi III project. European support and engagement has made a significant contribution to preparing these essential initiatives.

"The European Investment Bank is committed to working closely with EGL to enable the Ruzizi hydropower project to contribute meeting the energy needs of the Great Lakes region. This project provides the framework for economic development, regional cooperation and promotion of peace that can benefit Rwanda, Burundi and the DRC." said Plutarchos Sakellaris, European Investment Bank Vice President responsible for operations in Africa, Caribbean and the Pacific.

"Energy is crucial for economic development in the Great Lakes region. Together with the European Investment Bank the EU Delegation in Kigali is pleased to provide European support for the Ruzizi Hydropower project." said Michel Arrion, European Union Ambassador to Rwanda.

"The Ruzizi Hydropower project has received crucial European support since its re-launch in 2007. We are grateful for the European Investment Bank's leadership in helping enhance preparation of this landmark energy scheme and we look forward to working closely in the future." said Professor Pierre Muzyumba Mwanahembe, Directeur General de l'EGL.

The overall project cost of the Ruzizi hydropower scheme is estimated to be EUR 378 million, with high-voltage transmission links to supply electricity to three neighbouring countries. The EU-Africa Infrastructure Trust Fund has provided EUR 2.8 million of grant funding for studies examining the economic soundness, environmental and social impact, water management and electricity links, and institutional strengthening of EGL.

Previous meetings of the Steering Committee of the Ruzizi III project led to the creation of a regional regulatory framework to manage water from Lake Kivu and coordination with other hydropower plants on the river. Current funding plans for the Ruzizi scheme envisage a Public-Private Partnership.

Notes for Editors:

- The European Investment Bank is the European Union's long-term lending institution. Last year the EIB provided EUR 72 billion for 460 projects around the world, including EUR 3.3 billion for projects across Africa.
- In recent years the European Investment Bank has funded key energy projects in East and Central Africa. These include the Olkaria geothermal plant in Kenya, rehabilitation of the Inga hydropower project in DRC, the Mombasa-Nairobi transmission line and Tanzania transmission backbone.

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<http://www.eib.org/projects/press/2011/2011-105-eib-confirms-commitment-to-ruzizi-iii-hydropower-project.htm>