

Mainstream Renewable Power Signs Landmark Africa Clean Energy Equity Funding

by MRP on [June 23, 2016](#) in [Corporate news](#)

- \$117.5m deal to fund continued expansion of Lekela Power platform, providing renewable power supply across Africa
- Investors include IFC, the IFC African, Latin American and Caribbean Fund (ALAC) and the IFC Catalyst Fund, two funds managed by IFC Asset Management Company, Ascension Investment Management and Sanlam
- Mainstream playing leading role in delivering Obama Administration's Power Africa initiative
- Lekela has plans to construct over 1,300MW of wind and solar plants in Africa by 2018

Global renewable energy developer Mainstream Renewable Power has signed a \$117.5m equity investment from investors including IFC, the IFC African, Latin American and Caribbean Fund (ALAC) and the IFC Catalyst Fund, two funds managed by IFC Asset Management Company, Ascension Investment Management and Sanlam to accelerate the build-out of megawatts of wind and solar plants across Africa.

The deal, which is subject to shareholder approval, provides equity funding for the Lekela Power platform, a joint venture with the global pan-emerging market private equity firm Actis. The funding package will help Lekela meet its goal of constructing over 1,300MW of badly needed new power capacity in Africa by 2018, while addressing the challenge of climate change.

Speaking at the signing of the transaction at The African Energy Forum in London, Mainstream Renewable Power CEO Eddie O'Connor said, "Developing Africa's power infrastructure, giving millions of people access to power and enabling the continent's economic growth is one of the greatest challenges of our time. Renewable energy is the quickest and most cost effective solution to achieve this and Mainstream is dedicated to being the leading vehicle in delivering this on the ground."

"Renewable energy has enormous potential as a clean, reliable, and affordable power source for Africa and we are delighted to help connect Mainstream with solar and wind investment opportunities across the continent through this partnership," said Bertrand de la Borde, Head of Africa infrastructure at IFC, a member of the World Bank Group.



Eddie O'Connor and Bertrand de la Borde

“The IFC ALAC Fund looks forward to working with Mainstream Renewable Power to support the growth of Africa’s power infrastructure on the continent, an important pre-requisite of economic and social development,” said Eileen Fargis, Co-Head, IFC African, Latin American and Caribbean Fund (ALAC).

“The IFC Catalyst Fund is very pleased to support this transaction. We look forward to supporting the growth of the Lekela Power platform and its expansion goals in the region,” said Reyaz Ahmad, Head, IFC Catalyst Fund.

The deal will allow Lekela to continue to build its pipeline of wind and solar projects in Africa. The platform plans to build four more wind farms in South Africa, two wind farms and a solar plant in Egypt, as well as wind farms in Senegal and Ghana. Also, in addition to the jobs created through the construction spend, Lekela invests resources in social endeavours that enhance the quality of life of the communities close to its projects.

Mainstream and Lekela are helping to fulfil the objectives of a series of key international initiatives, including the Obama Administration’s Power Africa, which aims to add 30,000MW of cleaner power generation through government and private partnerships, and the UN’s Sustainable Energy for All, which seeks to achieve universal access to power by 2030. Energy poverty has been recognised as one of the key challenges for Africa, with an estimated two thirds of people in Sub-Saharan Africa having no regular access to electricity.

First Avenue Partners acted as global placement agent for the transaction.

Simmons & Simmons acted as legal counsel to Mainstream and Norton Rose Fulbright for the investor group.

Source: <http://mainstreamrp.com/mainstream-renewable-power-signs-landmark-africa-clean-energy-equity-funding/>