

# Cape Verde Cabeólica

Ground-breaking project delivers sustainable, affordable wind power for the people of Cape Verde



PIDG PROJECT FACT SHEET **INNOVATION**   



Cabeólica wind farm | Santiago, Cape Verde | With Cabeólica SA and the Government of Cape Verde

**25.5MW wind power**

**360,000 people**  
served by  
renewable energy

**55,000 tonne**  
reduction in carbon  
emissions per annum

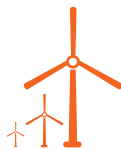
## Delivering a key first for the renewable power sector

The Cabeólica project was the first Public Private Partnership to deliver utility-scale wind power in Cape Verde



## Developing Cape Verde's wind power potential

The Cabeólica project harnessed Cape Verde's high wind speeds to deliver clean, renewable energy.



## Delivering sustainable power for the people of Cape Verde

A decade ago, Cape Verde was reliant upon fossil fuel imports for power generation and supply was unreliable and expensive. The 25.5MW Cabeólica wind farm is constructed across four islands. The project delivers clean electricity for 360,000 people. Cabeólica meets approximately 25% of Cape Verde's electricity demand, cutting spending on fuel imports and reducing CO<sub>2</sub> equivalent emissions by 55,000 tonnes per annum.



## Delivering the finance and capacity required for success

Cabeólica encountered a series of barriers to its successful construction. PIDG company InfraCo Africa invested US\$7.8m, and a further €2.3m, in the complex project, overcoming technical barriers and developing the regulatory capacity of the Government of Cape Verde. This helped establish the first Public Private Partnership (PPP) to deliver commercial scale wind power in sub-Saharan Africa. A US\$469,000 grant from PIDG company TAF supported capacity building work and enabled crucial feasibility studies to be undertaken. InfraCo Africa has now successfully exited the project.



InfraCo Africa provides the risk capital and expertise needed to develop early-stage infrastructure projects into viable investment opportunities

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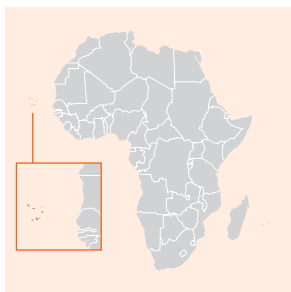




This case study is also included in the  Africa and  Renewables project fact sheet series.

# Cape Verde Cabeólica

PIDG company InfraCo Africa's investment of capital and expertise established Cape Verde's first utility-scale wind power project



Technology

wind



Total investment

€60.9m



Value of PIDG investment

US\$8.3m



Number of people benefiting

360,000

## Context

Home to around 470,000<sup>1</sup> people, Cape Verde is an archipelago of 10 islands located off the north-west coast of Africa. A decade ago, Cape Verde relied upon expensive fossil fuel imports for electricity generation, with fuel accounting for up to 11% of the country's total imports.<sup>2</sup> Fuel security was a major concern and residents experienced regular power outages. The Government of Cape Verde identified the potential of the country's high average wind speeds (up to 10 metres per second) for the development of wind power as a sustainable, affordable alternative to imported fossil fuels.

## Project

The government struggled to attract private sector investment to progress the remote, complex Cabeólica project. PIDG company InfraCo Africa was approached, through its principal developer eleQtra, to develop a 25.5MW wind farm across São Vicente, Boa Vista, Sal and Santiago, four of Cape Verde's islands. Cabeólica was the first utility-scale wind power project in sub-Saharan Africa. InfraCo Africa invested US\$7.8m, alongside US\$469,000 in grant funding from PIDG company TAF, to establish the regulatory environment and finance needed for Cabeólica to succeed. The project overcame numerous technical barriers constraining the construction of interconnected wind

farms across four remote islands. InfraCo Africa has now sold its remaining stake in Cabeólica to the Africa Finance Corporation and can recycle its funds for future projects.

## Impact

**'...Cabeólica (demonstrates) what small islands can achieve to increase their resilience and protect their natural resources. I hope others can learn from their innovation and resolve to fashion business strategies and solutions for the unique challenges of island states.'**<sup>3</sup>

S. Vijay Iyer Head of the World Bank Sustainable Energy Department.

Cabeólica is the first successfully closed commercial-scale PPP wind farm in sub-Saharan Africa. The facility meets approximately 25% of the country's energy demand, reducing power generation costs by around 20%. 360,000 people have new and improved access to clean electricity. Cape Verde's CO<sup>2</sup> emissions have fallen by almost 55,000 tonnes per annum and Cabeólica has been recognised as a Clean Development Mechanism by the United Nations Framework Convention on Climate Change (UNFCCC). By developing the GoCVs experience of PPPs, Cabeólica will enable them to attract private sector investment to the country's renewables sector in the future. Cape Verde now leads the world in its ambition to achieve 100% renewable energy supply by 2020.

1 [www.cape-verde.com/population.html](http://www.cape-verde.com/population.html)

2 [www.reegle.info/policy-and-regulatory-overviews/CV](http://www.reegle.info/policy-and-regulatory-overviews/CV)

3 [www.cabeolica.com/site1/home/](http://www.cabeolica.com/site1/home/)



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