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Cenpower

Investor funds well spent in Ghana



Emilio Cattaneo, Executive Director, the Emerging Africa Infrastructure Fund, reports on his recent visit to two projects in Ghana

One of my prime duties is to represent the interests of EAIF's stakeholders, which include both our government owners as well as private and development finance lenders to the fund. Occasionally, my role as an ambassador for EAIF allows me to visit projects to see progress for myself and, in early October, I was invited to accompany a high-level British delegation on a visit to Ghana and to our projects.

EAIF has supported two big infrastructure projects of national strategic importance to Ghana's economic development. The first is Cenpower, located in the Tema industrial zone close to Ghana's capital of Accra, a 350MW Combined Cycle Gas Turbine power station. Recently completed, it is expected to supply around 13% of Ghana's current electricity demand capacity when fully operational.

Natural gas from Ghana's own offshore gas industry is growing in importance as a fuel to help meet the increasing demand for energy to help sustain growth in the economy. A core component of the natural gas strategy is our second project, Quantum Terminals, a Liquefied Petroleum Gas (LPG) storage facility now nearing completion at Tema. LPG has substantially lower CO² emissions per kilowatt hour than oil, coal and biomass. EAIF has loaned US\$10 million to the Quantum Terminals development. GuarantCo

provided a guarantee for a US\$10m corporate local currency bond to the same project, which was the first Ghanaian corporate bond issue to be listed on the London market.

What struck me most, is the size of these projects, the engineering and technical complexity of them and the quality of the people building and operating them. Both would represent significant industrial infrastructure in any type of economy, even the most advanced. To see such giants in Ghana and to know that they have the capacity to build more sustainable foundations for the competitiveness, stability and success of the Ghanaian economy is to see investor funds well spent.

The energy market in Ghana faces significant infrastructure, structural and political challenges. The government and energy industry are in talks about how to resolve these matters. But Ghana has succeeded in having one of the highest electrification rates in Africa. In 2016, over 82% of Ghana's population of 30 million had access to electricity. In addition to rising to the structural and financial challenges the energy sector faces, meeting the electricity needs of the 18% of people without electricity, is likely to see diversification into increased solar energy. EAIF stands ready to support qualifying developers of solar, as it has other sectors of the energy industry.

The UK delegation included Parliamentary Under Secretary of State at the Department for International Development (DFID), Baroness Sugg, and Conservative Member of Parliament, Adam Afriyie, led by Nick Dyer, the Director General for Economic Development at DFID.

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Tel: +44 (0) 203 848 6740 | www.pidg.org | Communications@PIDG.org
Company number: 11265124 | VAT number: 296085564