

press release

Standard Chartered more than doubles its commitment to Power Africa to USD5bn

Standard Chartered is now the largest private sector partner in President Obama's 'Power Africa' campaign

30th July 2014, Lusaka, Zambia - Standard Chartered is more than doubling its commitment to 'Power Africa' by increasing its pledge from USD2 billion to USD5 billion, after reaching its initial commitment in 12 months.

On President Obama's launch of Power Africa in July 2013, Standard Chartered initially committed USD2 billion. With its extended commitment, the Bank remains the largest private sector contributor within the Power Africa partnership.

The governments of Ghana, Tanzania, Kenya, Nigeria, Ethiopia and Liberia and a group of private-sector firms are taking part in the initiative to improve access to clean, reliable power in Africa, and ultimately deliver electricity to more than 20 million new households and companies by 2018.

Peter Sands, Group Chief Executive of Standard Chartered, said: *"Over our 150 years of history in Africa, we have always strived to contribute to social and economic development, financing trade and investment across the continent. A lack of access to electricity is one of Africa's most critical infrastructure challenges. With our extended commitment to the "Power Africa" initiative we expect to add around 7,500 megawatts to Africa's power grid – equivalent to the electricity production capacity of Nigeria and Cote d'Ivoire."*

Commenting on the announcement, **Andrew Okai, CEO of Standard Chartered Zambia**, said: *"Africa has recorded positive economic growth over the past decade and the continent needs sufficient electricity supply to support this growth. Raising our financing commitment from USD2bn to USD5bn under Power Africa is one of the most significant commitments the bank has made in Africa this decade. It also demonstrates that Standard Chartered Bank remains a strategic business partner for the continent."*

Projects that Standard Chartered has been involved with under its Power Africa commitment include:

- **Zambian Energy Corporation:** Standard Chartered's Private Equity Africa division invested USD57million into Zambian Energy Corporation, which will flow into its regional operation, CEC Africa (CECA). CECA has acquired a power plant and distributor within Nigeria's privatisation plans (600MW Shiroro Hydro Plant in Niger State and Abuja Electricity Distribution Company). This will support CECA's power infrastructure expansion strategy in Nigeria and other Sub-Saharan Africa countries.

- **Azura-Edo Power Project in Nigeria:** This privately-owned and funded greenfield independent power plant (IPP) is setting an industry standard in legal and regulatory frameworks for other developing power plants to follow, progressing the Nigerian Government's power sector reform. The Azura-Edo plant will harness the country's domestic gas resources to generate 450MW of power as the first non-captive IPP in Nigeria in more than 10 years. Standard Chartered is the Global Coordinating Mandated Lead Arranger and Structuring Bank. Total invested capital in the power plant and gas supply will exceed USD1 billion.
- **Okija Power Project in Nigeria:** This privately-owned and funded greenfield IPP will be the second (after Azura-Edo) to seek long term debt financing on a limited recourse basis. This plant of 495MW installed capacity will also utilise domestic natural gas to generate electricity in south-eastern Nigeria. Standard Chartered is the Mandated Lead Arranger and Structuring Bank.

On launching Power Africa in July 2013, the White House said: "*More than two-thirds of the population of sub-Saharan Africa is without electricity, and more than 85 percent of those living in rural areas lack access. These countries have set ambitious goals in electric power generation and are making the utility and energy sector reforms to pave the way for investment and growth.*"

Over the last two decades, academic research has shown that the under-performance of Africa's power infrastructure has restricted economic growth, reducing per capita GDP growth by 0.11% per year for the continent as a whole, and as much as 0.2% in Southern Africa*, where mining and manufacturing – the big industrial users of electricity – have traditionally been more important. In Nigeria, current power output is approximately 4,000 megawatts, but the country's demand is sitting at 10,000 megawatts. It is estimated that if Nigeria could close this infrastructure gap, it would raise economic growth by 3 percentage points, equating to just over USD15 billion annually.

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Note to Editors

Standard Chartered

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