

## **TDB approves facility for power generation in Zambia**

Trade and Development Bank (TDB) committed a USD 15.6 million bilateral facility to Consolidated Farming Limited (CFL), a well-established integrated sugar company with over 16 years' experience in the sugar cane manufacturing sector. The facility is part of a USD 23.8 million expansion plan for a sugar cane bagasse co-generation power plant from 6MW to 24MW in Nampundwe, Zambia.

CFL is a private limited company wholly owned by indigenous citizens. Its core business comprises sugar cane production and sugar processing. It has warehouses at strategic border posts as well as within the country to facilitate storage for exports and local consumption. Approximately 2,400 employees are currently employed by the company. Additionally, 150 jobs are expected to be created as a result of the investment. CFL has been an existing client of TDB for the last 14 years. The Bank has availed 5 trade and 3 project finance loans amounting to USD 35.5 million. The USD 15.6 million term loan enhances the relationship between CFL and TDB that is now reaching a new milestone.

With the new investment, CFL will utilize a by-product of its core business to generate electricity. The captive power will be used for self-consumption with a view to securing the power supply while reducing reliance on the grid for its energy needs. The power generation is based on a cleaner technology compared to heavy fuel oil, hence environmentally friendly energy with less noise and pollution. As such, the investment is in line with the Government's strategic objective to diversify the energy mix of Zambia from its current dependence on hydro power and associated vulnerabilities to fluctuating hydrological pattern. It is also expected to reduce the current deficit of power by 2.4%.

This is the first biomass project which benefited from KfW's technical assistance and Frankfurt School of Management consultant who provided TDB with technical insights on the investment.



