

OVERVIEW

# [Suspended] China Development Bank provides loan for Guyana's Amaila Falls Hydro Project

COMMITMENTS (CONSTANT USD, 2023)

## \$495,058,158

Commitment Year • 2011

Country of Activity • Guyana

Direct Recipient Country of Incorporation • Guyana

Sector • Energy

Flow Type • Loan

STATUS



China's Portfolio of Overseas Loans & Grants



**Suspended**

~~PIPELINE: PLEDGE~~

~~PIPELINE: COMMITMENT~~

~~IMPLEMENTATION~~

~~COMPLETION~~

TIMELINE

### Key dates

COMMITMENT DATE

Dec 31, 2010

START (ACTUAL)

Jul 7, 2013

LAST REPAYMENT (ORIGINALLY SCHEDULED)

Dec 28, 2022

## Stakeholders

Organizations involved in projects and activities supported by financial and in-kind transfers from Chinese government and state-owned entities

ULTIMATE BENEFICIAL OWNERS

At least 25% host country ownership

FUNDING AGENCIES

STATE-OWNED POLICY BANKS

China Development Bank (CDB)

RECEIVING AGENCIES

JOINT VENTURE/SPECIAL PURPOSE VEHICLES

Amaila Falls Hydropower Inc (AFHI)

IMPLEMENTING AGENCIES

STATE-OWNED COMPANIES

China Railway First Group Co., Ltd. (CRFG)

INSURANCE PROVIDERS

STATE-OWNED COMPANIES

China Export & Credit Insurance Corporation (Sinosure)

LOAN DESCRIPTION

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Grant element • 10.5392%

Interest rate ( $t_0$ ) • 7.2%

Interest type • Fixed Interest Rate

Maturity • 12 years

### NARRATIVE

## Full Description

### PROJECT NARRATIVE

In 2011, the China Development Bank and the Inter-American Development Bank provided \$858 million of debt financing to Amaila Falls Hydropower Inc (AFHI) — a special purpose vehicle — for the Amaila Falls Hydroelectric Power Plant Project. On September 10, 2012, the signing ceremony of Guyana Amara Falls Hydropower Project was held. CDB provided a \$435.6 million loan with the following terms: a 7.2% interest rate and a 12 year maturity. Sinosure provided insurance for the CDB loan.

Sithe Global (SG) and the Government of Guyana (GOG) created Amaila Falls Hydro, Inc.— a special purpose vehicle — for the purpose of developing, financing, constructing and owning the project. Sithe Global has a 60% equity stake and the GOG — represented by Guyana Power and Light (GPL) — has a 40% equity stake in AFHI.

The Amaila Falls Hydroelectric Power Plant Project was to be owned and operated by the sponsors for 20 years, after which point it would be transferred to the Government of Guyana through a Build-Own-Operate-Transfer (BOOT) arrangement. CDB and Inter-American Development Bank were to provide loans to the project company and the proceeds under the Power Purchase Agreement (PPA) between the project company and Guyana Power Light, as power purchaser, were to be used for repayment of the CDB and IADB loans.

China Railway First Group was selected as the EPC contractor responsible for project implementation. The project involved the construction of a 165 megawatts hydropower plant in west-central Guyana at the confluence of the Amaila and Kuribrong rivers, 270km transmission lines, and 2 new access roads (~85km in length). Construction officially started on July 8, 2013. However, on June 12, 2015, a new political party came to power in Guyana and announced the suspension of all work on the Amaila hydropower station. AFHI still exists as a company although in a "lame duck" state after the withdrawal of Sithe Global as project sponsor and developer. The Interim Generation License has been withdrawn, while the Implementation Agreement and the PPA never came into effect.

STAFF COMMENTS

The Chinese project title is 圭亚那Amaila水电站 or 圭亚那Amaila水电站EPC项目 or 165兆瓦 Amalia Falls水力发电项目的.