

BlackRock-managed fund buys stake in Kenyan wind farm

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Climate Finance Partnership (CFP), a fund managed by BlackRock Alternatives, is buying nearly a third of the shares in Kenyan wind farm Lake Turkana, it said on Tuesday, 14 March.



An aerial view of power-generating wind turbines at the Lake Turkana Wind Power project (LTWP) in Loiyangalani district, Marsabit County, northern Kenya. Source: Reuters/Thomas Mukoya

Climate-focused funds are increasingly training their sights on Africa, which offers growing demand for clean energy and other climate infrastructure.

The continent is also suffering from the ravages of climate change-driven events like drought. Kenya and neighbours Ethiopia and Somalia are going through the worst drought in decades, which has caused starvation among millions.

BlackRock said the fund will acquire the stake in Lake Turkana Wind Power (LTWP) in Kenya's far north from Finnish development financier Finnfund, Danish wind turbines maker Vestas, and the Investment Fund for Developing Countries, a Danish development financier.



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CFP set to acquire a 31.25% stake in LTWP

A regulatory filing published in the Kenyan press on Tuesday said the stake amounts to 31.25% of the shares of LTWP, a 365-wind turbine facility with a 310MW capacity.

The regulatory notice defined the stake as "controlling", but BlackRock later said that was within the meaning of Kenya's energy law, not in the conventional sense of a controlling or majority stake. It did not disclose the value of the deal.

"The LTWP project provides reliable, low-cost energy to Kenya's national grid via a 20-year power purchase agreement with Kenya Power," BlackRock said, referring to the East African nation's power distribution company.

LTWP provides just over a tenth of Kenya's power generation, offering electricity to more than three million people, BlackRock said.

BlackRock Alternatives' first private investment in Africa

The deal, which requires regulatory approval, represents a first private investment in Africa for BlackRock Alternatives, part of BlackRock Inc, it said.

CFP is a public-private fund that targets emerging market climate infrastructure, bringing together BlackRock, the French, German and Japanese governments, and some US-based organisations.

It has commitments of \$637m from a range of global investors, which exceeded its fundraising target of \$500m.

"The fund plans to invest at least 25% of its assets under management in Africa," it said.

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