

Case Study 1: Kenya Renewable Energy Project

CONSTRUCTION OF A 35MW POWER PLANT

Overview

Client: Infrastructure & EPC Contractor

Country:
Kenya

This case study highlights how UA Specialty facilitated the development of a 35MW power plant in Kenya by structuring and arranging essential Bonds and Guarantees. This support ensured the contractor's compliance with local and international standards, enabling them to secure funding for the US\$ 16 million project.

Transaction Type:
Construction of a 35MW Power Plant

Maximum Sum Insured:
US\$ 5.5 million



Challenge

The infrastructure and EPC contractor faced the challenge of securing Bonds and Guarantees to meet the financial requirements of the US\$ 16 million power plant construction. These guarantees were essential to secure funding and ensure compliance with both local regulations and international standards. The contractor needed a solution that would minimize collateral requirements while providing the necessary financial security.

Solution

UA Specialty stepped in to structure and arrange the necessary Bonds and Guarantees. By leveraging our expertise in financial risk management and surety solutions, we ensured that all guarantees complied with local regulations and international standards. This comprehensive approach provided the contractor with the financial instruments needed to proceed with the project confidently.

Impact

UA Specialty's involvement had a significant positive impact on the project and the broader energy infrastructure development in Kenya:

Project Advancement: Enabled the project to proceed with minimal collateral requirements, reducing financial strain on the contractor.

Financial Security: Provided financial security for all project stakeholders, instilling confidence in the project's viability.

Infrastructure Support: Supported Kenya's energy infrastructure development, contributing to increased power generation capacity.

Conclusion

This case study demonstrates the critical role that UA Specialty plays in supporting infrastructure development through strategic financial solutions. By providing tailored Bonds and Guarantees, we empower contractors to overcome financial hurdles and contribute to the growth of vital infrastructure projects in emerging markets like Kenya.