



Projects & Infrastructure

Power Guide:
Sudan

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Introduction

This Power Guide has been prepared by ALN Sudan | Omer Ali Law Firm (**ALN Sudan**) and provides an overview of Sudan's power sector. The aim of this

guide is to provide useful information to investors and stakeholders on legal aspects of the industry, such as applicable regulatory standards and tariffs.¹

Governing Law



- The Transitional Constitution of the Republic of Sudan 2005
- **Primary Statute:** Electricity Act, 2001
- **Other laws, regulations and policies including:**
 - National Investment Encouragement Act, 2013

- Public Private Partnership Act, 2021
- Electricity Regulations, 1996
- Electricity (Amendment) Act, 2019
- Electricity (Amendment) Regulations, 2019
- National Energy Policy, 2019
- Renewable Energy Policy, 2017

Institutional Framework

Sudan Electricity Holding Company (SEHC)



SEHC is a state-owned company responsible for the overall planning, development and management of the electricity sector.

Sudanese Electricity Distribution Company (SEDC)



SEDC is responsible for electricity distribution and retail services.

Ministry of Energy and Petroleum



The Ministry is in charge of formulating policies and setting the strategic direction for the energy and extractive sector in Sudan.

Sudanese Hydroelectric Generation Company (SHGC)



SHGC is a state-owned company responsible for hydroelectric power generation.

The National Electricity Corporation of Sudan (NEC)



NEC is a state-owned corporation under the Ministry of Energy and Mining. NEC is responsible for electricity generation, transmission, and distribution in Sudan.

Sudanese Thermal Power Generating Company (STPGC)



STPGC is a state-owned company responsible for thermal power generation.

Sudanese Electricity Transmission Company (SETCO)



SETCO is responsible for the transmission of electricity in Sudan.

Sudanese Nuclear Energy Authority (SNEA)



SNEA is the regulatory body responsible for the development and regulation of nuclear energy in Sudan.

Electricity Regulation and Control Authority (ERCA)



The ERCA is established under the Electricity Act, 2001 and is responsible for regulation of the electricity market by granting licenses

¹ We draw the reader's attention to the fact that all regulations, some of which are in the form of directives and policies, are

not readily available, and due to the instable political situation frequent changes are experienced.



Power Purchase Agreements (PPAs)

- As far as we are aware, there are currently no private power producers in Sudan; hence no PPAs.
- The law provides for the conclusion of PPAs in Sudan vide the newly introduced Public Private

Partnership Act 2021, which was passed with the aim of encouraging private participation in developing Sudan's infrastructure, including the power sector.

Local Shareholding Requirements

- There are generally no local shareholding restrictions for companies developing power projects in Sudan.

Credit Enhancements and Security Arrangements

- A sovereign guarantee may be granted subject to negotiations between the IPP and the offtaker.

Key Approvals/Licenses Required to be Procured

- Environmental Impact Assessment (EIA) License issued under the Environmental Protection Policy Act.
- A license issued by the National Authority for Investment

Governing Law and Dispute Resolution

- Under the National Investment Encouragement Act 2013, a dispute arising from investment shall be referred to a specialized court unless the parties agree to refer it to arbitration or reconciliation, except disputes governed by one of the following treaties to which Sudan is a signatory, namely: (i) the Unified Agreement for the Investment of Arab Capital in Arab States 1980; (ii) the Agreement for Settlements of Investment Disputes among Arab States 1974; (iii) the Agreement for Settlement of Investment Disputes between States and Nationals of other States 1965; (iv) the General Agreement for Economic, Technical and Commercial Co-

operation among Member States of Islamic Conference 1977.

- The Republic of Sudan is a party to the Convention on the Settlement of Investment Disputes between States and Nationals of other States, 1965 (ICSID Convention) and the Convention on the Recognition and Enforcement of Foreign Arbitral Awards, 1958 (New York Convention). Arbitral awards obtained under the ICSID Convention may face annulment, but do not require registration to be enforceable. All other awards will be enforceable under the New York Convention upon registration with the High Court.

Power Sector Experience

ALN Sudan has extensive power experience and has successfully handled several power deals and landmark transactions within the country and across Africa. In particular, ALN Sudan has unique on-the-ground experience relating to various infrastructure

and energy deals in Sudan and across Africa. Through forging robust business and regulatory connections, ALN Sudan possesses a thorough comprehension of deal structuring considering potential economic, political, and financial risks.



Acting for a UAE based oil and gas company, in connection with its incorporation in Sudan.



Refinery Construction and Finance:

Acting as local Counsel to the owners of a refinery in connection with the construction and financing of a 60,000 BPD Refinery Plant, including reviewing of EPC agreements and finance agreements.



Advising a multinational oil company in connection with a proposed acquisition of an oil company in Sudan.



Acting as local counsel to a multinational oil company in connection with its divestment in Sudan.



Advising the buyer, a multinational company, in connection on the acquisition of the shares of a Sudanese company in the oil sector, a transaction that involved acquisition of shares of companies in six African countries including Sudan, including conducting a legal due diligence on the target's shares among other corporate aspects, real property, contracts, finance agreements and securities, regulations including business permits and licences, litigation and other general legal matters.



Providing transaction support to HPC Hamburg Port, through Sudan Ports Authority, in connection with the Concession of a Container Terminal in Sudan, including (i) preparation of Request for Proposal by scrutinizing the draft with regard to its compliance with Sudanese law, specifying legislative framework to be adhered to by the bidders; (ii) preparation of Concession Agreement, including studying the draft with regard to its compliance with Sudanese law and regulations, advice on setting up a local company to act as Concessionaire; (iii) support for Tender Process, including advice on comments of bidders during the bidding process and proofread the final draft execution document of the Concession Agreement with regard to legal compliance.



Advising a Gulf based company in connection with the acquisition of land, and real estate development project in Sudan, including conducting a legal due diligence.



Advising a client in connection with a water desalination project, including conducting a review of documents.

Advising a client in connection with a free zone project, including reviewing and advising on the construction as well as development agreements and documents.



Advising a client in connection with an acquisition of land in Sudan by a foreign investor, including advising on the negotiations and drafting the contracts.



Advising a Gulf based company in connection with a project management agreement in Sudan.

Key Contacts



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About ALN Sudan

Trusted by Sudan's business community to provide class-leading legal advice and services, ALN Sudan serves a rapidly expanding client base of local, international and multinational entities, operating in a range of sectors, including oil and gas, aviation, mining, manufacturing, agriculture, telecommunications and financial services. Our firm offers a wide range of legal services, and our founding

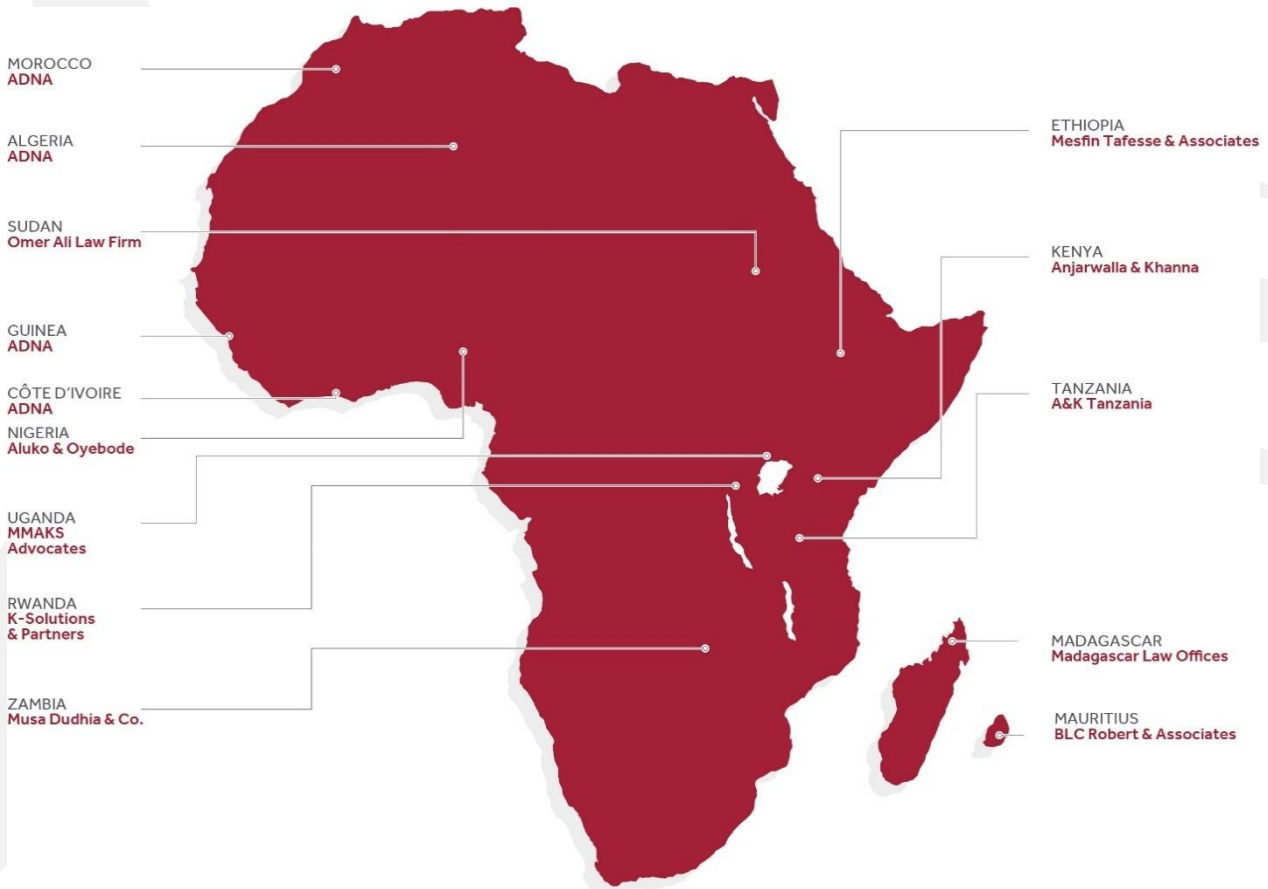
partner has practised in and out of Sudan for over forty years with particular expertise in commercial and corporate law, including as a legal advisor at the helm of the executive branch of the Sudanese Government. His international expertise is enhanced by our membership in the ALN alliance of eminent law firms from across the continent.

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About ALN



ALN is an integrated alliance of the preeminent full-service corporate law firms in 14 African countries: Algeria, Côte d’Ivoire, Ethiopia, Guinea, Kenya, Madagascar, Mauritius, Morocco, Nigeria, Rwanda, Sudan, Tanzania, Uganda and Zambia. ALN also has a regional office in Dubai, UAE, which serves as a gateway to the Gulf region and beyond.

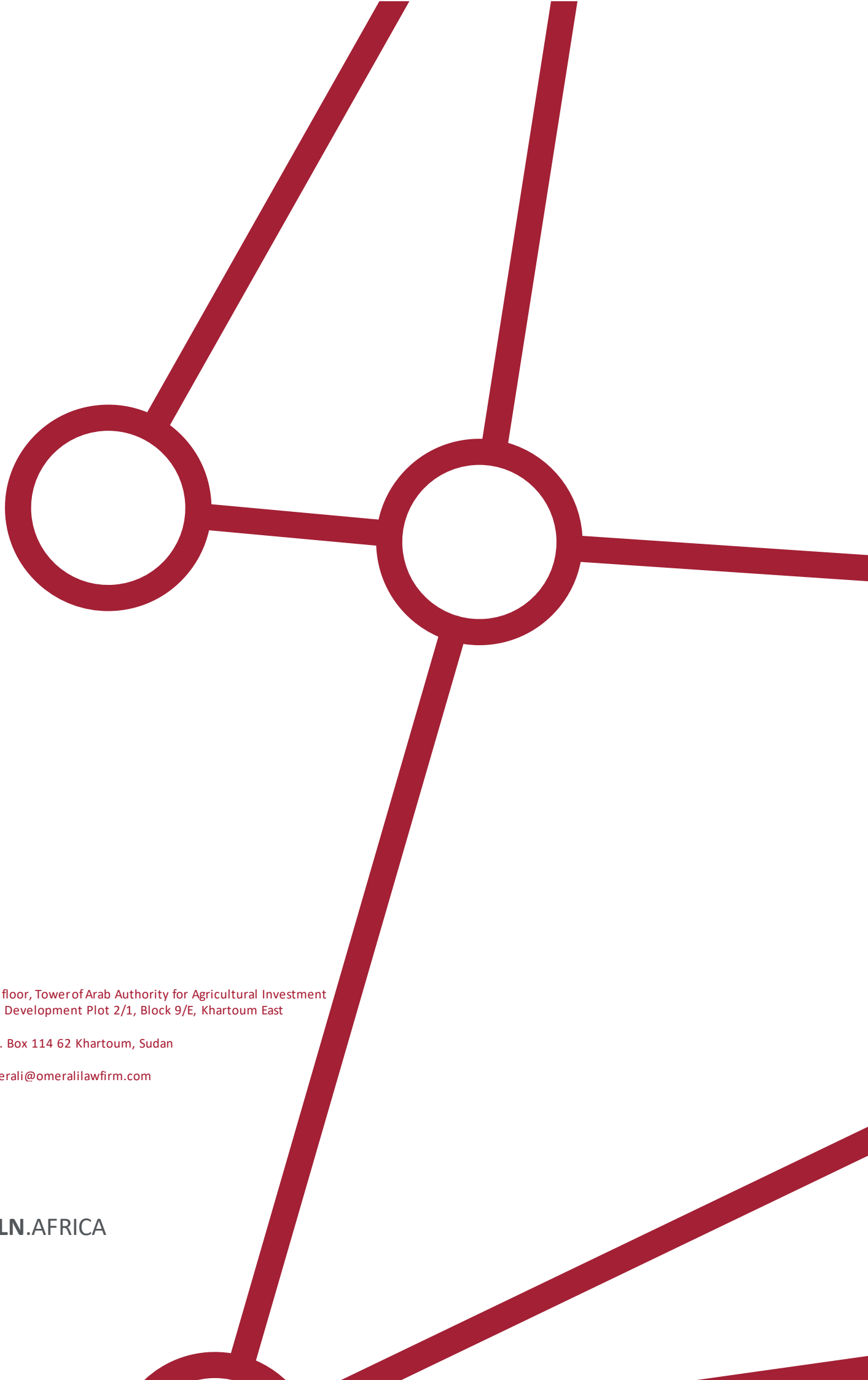
Vision

ALN seamlessly connects the African continent. It brings its global expertise, continental reach and deep local know-how to help its clients navigate the multitude of opportunities and risks in Africa, holistically combining legal, tax, regulatory and commercial advice.

Mission

ALN is dedicated to its clients’ success. ALN achieves this by providing world class legal, tax and regulatory advice in a commercial context. ALN’s lawyers are aware of the trends and events shaping the continent, deeply networked and respected in their communities as thought leaders and opinion shapers. ALN’s lawyers have a Pan African mindset, are down to earth, pragmatic, responsive, innovative and relentlessly determined.





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