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Common Market for Eastern  
and Southern Africa

## **CCC Merger Inquiry Notice No. 11 of 2020**

### **Notice of Inquiry into the Proposed Merger involving Red Rocket Africa and Tororo Solar North Limited**

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It is hereby notified in terms of Article 26(6) of the COMESA Competition Regulations (the “**Regulations**”) that the COMESA Competition Commission (the “**Commission**”), after receiving a notification in terms of Article 24 of the Regulations on the proposed merger involving Red Rocket Africa and Tororo Solar North Limited, intends to embark on an inquiry in terms of Article 26 of the Regulations.

The parties have submitted that the notified transaction is an equity investment transaction in terms of which Mauritian equity investment funds, Evolution II (Mauritius) LP and Evolution II (Mauritius) No 2 LP (collectively “**Evolution II Fund**”), will invest in Tororo Solar North Limited, indirectly via its subsidiary Red Rocket Africa. This investment takes place alongside existing senior management of Building Energy S.p.A (the seller) in a joint-management buy-out (the “**Proposed Transaction**”).

It has been submitted that Tororo Solar North Limited is an independent power producer (“**IPP**”) managing Tororo Solar Plant. Tororo Solar Plant is a solar photovoltaic utility-scale power plant in Uganda, with a capacity of 10MW, and is located in Tororo District. Tororo Solar North Limited is operative in Uganda.

Red Rocket Africa is a limited liability private company incorporated in accordance with the laws of Mauritius. Red Rocket Africa is controlled by Evolution II Fund. It has been submitted that the acquiring group, in COMESA Member States, is largely constituted of investment holding firms that do not themselves offer any products and/or services. The Acquiring Group is operative in the following COMESA Member States: Burundi, Mauritius and Kenya. Relevant to the proposed merger is that Evolution II Fund exercises a controlling interest over Alten Kenya Solarfarms B.V. (“**Alten Kenya**”), also an IPP. Alten Kenya has been awarded preferred bidder status in respect of its Kesses Project, a 50 MW solar photovoltaic plant, which is located in Kenya.

The parties have submitted that although both merger parties are operative in the renewable energy sector in the Common Market, the proposed merger does not give rise to any horizontal geographic overlap. The merger also does not give rise to any vertical integration and does not affect public interest negatively.

The Commission will, in accordance with the provisions of the Regulations, determine among other things whether or not the merger is likely to substantially prevent or lessen competition within the Common Market and whether the merger is or would be contrary to the public

interest as provided for under Article 26 of the Regulations. In view of this, the Commission hereby gives notice to all interested stakeholders, including competitors, suppliers and customers of the merging parties to submit written representations to the Commission with regard to the subject matter of the proposed inquiry by emailing them to: [sbooluck@comesa.int](mailto:sbooluck@comesa.int). All written representations should be sent to the Commission not later than **17<sup>th</sup> April 2020**.

If you wish to seek further details and/or clarifications on any aspect of this proposed transaction or need assistance you may get in touch with **Ms. Sandya Booluck, Senior Analyst, Mergers and Acquisitions** on Tel: +265 (0) 1 772 466 or E-mail [sbooluck@comesa.int](mailto:sbooluck@comesa.int).

All written representations submitted to the Commission will be treated with the strictest confidentiality and will only be used for the purpose of this inquiry.