Early Warning System

AFDB-P-MW-FA0-012

Malawi – Rehabilitation of the Kapichira and Nkula Hydropower Plants

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Quick Facts

Countries	Malawi
Financial Institutions	African Development Bank (AFDB)
Status	Approved
Bank Risk Rating	B
Voting Date	2025-11-12
Borrower	Government of Malawi
Sectors	Energy, Hydropower
Investment Type(s)	Grant
Investment Amount (USD)	$ 22.94 million
Grant Amount (USD)	$ 22.94 million
Project Cost (USD)	$ 118.75 million

Project Description

According to the AfDB, the objective of the project is to increase the reliability and efficiency of electricity generation in Malawi and thereby contribute to socio-economic growth through affordable and sustainable power supply. The project will rehabilitate the electro-mechanical systems of the 129.6 MW Kapichira hydropower plant and replace and rehabilitate critical systems at the 100 MW Nkula B hydropower plant. Once completed, the rehabilitation is expected to restore and stabilize annual generation capacity (estimated at over 1,200 GWh combined), reduce outages and technical losses, strengthen the financial sustainability of EGENCO, and enhance climate resilience of hydropower infrastructure. The project contributes directly to expanding renewable energy supply, improving energy security, supporting industrialization, and facilitating Malawi's integration into the Southern African Power Pool (SAPP).

The Rehabilitation of the Kapichira and Nkula B Hydropower Plants Project is a sovereign investment operation aimed at restoring the operational reliability and efficiency of two major hydropower plants in Malawi. The project is implemented by the Electricity Generation Company of Malawi (EGENCO) under the supervision of the Ministry of Energy and aligns with Malawi 2063, the Malawi Energy Compact under Mission 300, and the Bank's "Light Up and Power Africa" priority.

Investment Description

- African Development Bank (AFDB)

As stated by the AfDB, the total project cost amounts to UA 87.44 million (USD 118.75 million equivalent). Financing is structured as parallel co-financing between the African Development Bank Group and European partners. The African Development Fund (ADF-16) provides a grant of UA 16.89 million (USD 22.94 million) to finance the rehabilitation of Kapichira I. The European Union contributes a USD 44.4 million grant, and the European Investment Bank (EIB) provides a USD 48.9 million loan to finance the replacement and rehabilitation of Nkula B. The Government of Malawi contributes approximately USD 2.52 million in cash and in-kind.

Private Actors Description

As stated on the company's website, EGENCO is a company that generates electricity in Malawi. EGENCO operates four hydro power stations: Nkula, Tedzani, Kapichira and Wovwe.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Electricity Generation Company (Malawi) Ltd (EGENCO)	Contractor	Energy

Contact Information

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ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.afdb.org/en/disclosure-and-access-to-information/request-for-documents. Under the AfDBÕs Disclosure and Access to Information policy, if you feel the Bank has omitted to publish information or your request for information is unreasonably denied, you can file an appeal at https://www.afdb.org/en/disclosure-and-access-to-information/appeals-process

ACCOUNTABILITY MECHANISM OF AfDB

The Independent Review Mechanism (IRM), which is administered by the Compliance Review and Mediation Unit (CRMU), is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an African Development Bank (AfDB)-financed project. If you submit a complaint to the IRM, it may assist you by either seeking to address your problems by facilitating a dispute resolution dialogue between you and those implementing the project and/or investigating whether the AfDB complied with its policies to prevent environmental and social harms. You can submit a complaint electronically by emailing crmuinfo@afdb.org, b.kargougou@afdb.org, b.fall@afdb.org, and/or s.toure@afdb.org. You can learn more about the IRM and how to file a complaint at: https://www.afdb.org/en/independent-review-mechanism/

Bank Documents

- EGENCO's ENVIRONMENTAL MANAGEMENT POLICY
- ENVIRONMENT AND SOCIAL MANAGEMENT SYSTEM (ESMS) ASSESSMENT REPORT
- Environmental and Social Management Plan
- Environmental and Social Management Plan
- ESMP mandatorily annexed to the Financing Agreement (FA)
- ESMS Approval
- ESMS Approval
- GRIEVANCE REDRESS MECHANISM
- PROJECT APPRAISAL REPORT
- RAPPORT D'ÉVALUATION DE PROJET
- Rehabilitation Works and Modernization of Kapichira 1 Hydropower Station, Malawi DISCLOSURE NOTICE
- Rehabilitation Works and Modernization of Nkula B Hydropower Station, Malawi DISCLOSURE NOTICE
- REQUEST FOR EXPRESSIONS OF INTEREST (CONSULTING SERVICES- FIRM SELECTION)
- STAKEHOLDER ENGAGEMENT PLAN