Early Warning System

WB-P166805

Electricity Sector Improvement Project

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Quick Facts

Countries	Angola
Financial Institutions	World Bank (WB)
Status	Proposed
Bank Risk Rating	U
Voting Date	2019-11-21
Borrower	Ministerio das Financas, Government of Angola
Sectors	Energy
Investment Type(s)	Loan
Investment Amount (USD)	$ 250.00 million
Project Cost (USD)	$ 250.00 million

Project Description

The project objective is to improve the operational and commercial performance of the electricity utilities and increase electricity access in selected cities in Angola.

The Project consists of three complementary components.

1. Electricity access expansion and improvement of revenue collection (US$100 million). ENDE is expected to be at the forefront of the country's electrification efforts to reach 60 percent of the population by 2025. In line with this objective, ENDE plans to densify and extend the distribution network in the country's 18 province capitals. This component will finance the electrification of one or two province capitals (Uige or Cuanza Norte), with the number of municipalities and the exact locations to be determined during project preparation and based on the National Electrification Action Plan (NEAP). Investments will include densification of the low-voltage network (extension of LV networks) and construction of service connections for households, commercial, industrial and public institutions.
2. Electricity service improvement (US$112 million). As the country's transmission system operator (TSO), RNT is responsible for the reliable transmission of power from generation plants to the national state-owned distribution company, ENDE, through the existing high-voltage electrical grid. The reliability and safety of the electricity grid depends on RNT's capacity to optimally balance power demand and supply to avoid any fluctuations in frequency, service interruptions and even grid failure. However, RNT is unable to fulfill its functions due outdated power dispatch hardware and software, overloaded substations and inadequate company management tools. Investments under this component include: the upgrade of the SCADA system, the extension and upgrade of own telecommunications network through the installation of fiber cables in existing transmission lines, installation of capacitors for reactive compensation in existing lines and substations in Luanda province, reinforcement and upgrade of Kuito substation, upgrade of Quileva substation, and installation of software for improving power system planning and RNT's business performance and processes.
3. Capacity Building for planning, operation and maintenance and for project management (US$38 million). The sustainability of the massive investments in generation capacity and network expansion in line with the expectations set under Angola Energia 2025, very much hinge upon an improvement of the planning skills at the utility level, ability to operate and maintain the large renewable energy and notably hydropower generation capacity being built, ability to structure projects that attract commercial capital, as well as robust project implementation. This component will finance extensive technical assistance and equipment, under the following sub-components:
    i. Capacity building for more sustainable operation of hydropower generation capacity (US$18 million). Activities financed under this sub-component will include equipment, software and technical assistance for PRODEL in the following areas: (i) Development of hydrological monitoring and forecast; (ii) Reinforcement of dam safety; (iii) Strengthening of data monitoring and management system; and (iv) Strengthening of operation and maintenance (O&M).
    ii. Technical assistance to strengthen RNT's planning capacity (US$5 million). This subcomponent will finance critical feasibility studies to enable RNT to adquately plan for transmission network extensions in the eastern and southern provinces, where coverage is the least developed compounding the economic disparity and isolation of these regions
    iii. Project management capacity building (US$15 million). Given the lack of experience of Angola's power companies in preparation and implementation of Bank-funded projects, this component will finance the costs of a Project Implementation Unit (PIU) to be established within MINEA, most likely beginning with a project preparation advance.

Investment Description

- World Bank (WB)

Contact Information

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Bank Documents

- Concept Project Information Document (PID) - Angola - Electricity Sector Improvement Project - P1668 [Original Source]