

 Early Warning System

WB-P510015

Guatemala Energy Transition Support Project



Quick Facts

Countries	Guatemala
Financial Institutions	World Bank (WB)
Status	Approved
Bank Risk Rating	U
Voting Date	2026-07-28
Borrower	Republic of Guatemala
Sectors	Energy
Investment Type(s)	Loan
Investment Amount (USD)	\$ 250.00 million
Loan Amount (USD)	\$ 250.00 million
Project Cost (USD)	\$ 250.00 million



Project Description

According to the WB, the objective is to enable renewable energy development and enhance the efficiency of public power utilities in the Republic of Guatemala.

The proposed project consists of the following three components:

Component 1: Support feasibility of Geothermal and Transmission Infrastructure. This component will focus on financing works and technical assistance to enable geothermal resources for renewable energy generation as well as the expansion of the transmission system. This component comprises two subcomponents as follows:

- * **Subcomponent 1.1: Exploration drilling to confirm geothermal resources.** This subcomponent will finance surface level exploration studies and well drilling in Tecuamburro and Moyuta fields and related complementary works and analysis to confirm geothermal resources and complete the feasibility stage for both geothermal fields. Drilling will be performed through campaigns for reduced diameter wells, for production-sized wells and for reinjection wells. Activities will also include - inter alia - financing of civil works to access the wells, related environmental assessments, works supervision, complete feasibility studies of geothermal power plants in the selected fields, development of all relevant technical specifications and terms of reference, and transaction advisory support for the structuring of these geothermal power plants projects, as well as the preparation of the Environmental and Social Impact Assessments (ESIAs) if the feasibility of the two geothermal projects has been confirmed and resources are available.
- * **Subcomponent 1.2: Technical Assistance for Transmission Infrastructure Development.** This subcomponent will finance technical assessments to support the development of Guatemala's transmission network, in particular the expansion of the 400kV transmission line (TL) that currently connects the Mexican border and the Brillantes substation, and which aims to connect the latter with Escuintla and Guatemala City and then with Tactic. The subcomponent will finance the preparation of detailed technical studies, bidding documents and related technical specifications, including climate resilient considerations such as designing grid infrastructure that can withstand extreme weather events and changing climate condition, utilizing materials with improved durability and flexibility to enhance resilience to climate-related hazards; ESIAs as well as other required Environmental and Social instruments to ensure readiness to procure the works contract to expand the 400kV line and respective substations.

Component 2: Operational and Technical Efficiency Improvements for Electricity Municipal Companies (EEMs) and Managerial and Governance Improvement of the National Electrification Institute (INDE). This component aims to enhance the performance of EEMs and INDE. It includes two subcomponents:

- * **Subcomponent 2.1: Performance and Distribution Infrastructure Enhancement for EEMs.** This subcomponent seeks to improve the operational performance and reduction of electricity losses of participating EEMs through the financing of the following activities: (i) rehabilitation, expansion and reinforcement of distribution networks; (ii) mass deployment of enhanced metering technologies; and (iii) modernization of management and commercial systems. The subcomponent will also finance supervision of the works in all EEMs participating in the Project.
- * **Subcomponent 2.2: INDE Performance Improvement Implementation.** This subcomponent aims to support the implementation of performance improvement measures within INDE on issues related to corporate governance, environmental and social management, operational performance and financial practices. Activities to be financed include inter alia, INDE's governance enhancements, reengineering and modernization of management processes, information technology systems, financial corporatization, creation of a comprehensive communication strategy, environmental and social management systems.

Component 3: Capacity Building and Project Implementation Support. This component will support the capacity strengthening of project management across INDE's operational units to consolidate the strategic role of the institution in the sector. The Project will finance key planning activities, such as investment strategies, and the development of a master plan for hydropower generation. The Component will finance specialized personnel and expert consultants of the Project Implementation Unit (PIU), external audits, as well as capacity building activities for both INDE and the EEMs and other relevant entities - as needed -, and coordination activities among stakeholders to ensure effective project implementation and comply with all required regulations. Additionally, this component will also finance activities to strengthen INDE's framework for preventing and responding to sexual harassment. INDE will be the Project Implementation Agency. INDE will carry out all fiduciary duties, including financial



Investment Description

- World Bank (WB)



Contact Information

No contacts available at the time of disclosure

ACCESS TO INFORMATION

To submit an information request for project information, you will have to create an account to access the Access to Information request form. You can learn more about this process at: <https://www.worldbank.org/en/access-to-information/request-submission>

ACCOUNTABILITY MECHANISM OF THE WORLD BANK

The World Bank Inspection Panel is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by a World Bank-financed project. If you submit a complaint to the Inspection Panel, they may investigate to assess whether the World Bank is following its own policies and procedures for preventing harm to people or the environment. You can contact the Inspection Panel or submit a complaint by emailing ipanel@worldbank.org. Information on how to file a complaint and a complaint request form are available at: <https://www.inspectionpanel.org/how-to-file-complaint>



Bank Documents

- [Appraisal Environmental and Social Review Summary \(ESRS\) - Guatemala Energy Transition Support Project](#)
- [Appraisal Project Information Document \(PID\)](#)
- [Concept Environmental and Social Review Summary \(ESRS\) - Guatemala Energy Transition Support Project](#)
- [Concept Project Information Document \(PID\)](#)
- [Environmental and Social Commitment Plan \(ESCP\) - Guatemala Energy Transition Support Project - P510](#)
- [Environmental and Social Impact Assessment Guatemala Energy Transition Support Project \(P510015\)](#)
- [Guatemala - Energy Transition Support Project](#)
- [Record of Approval on an Absence of Objection Basis on July 28, 2026](#)
- [Stakeholder Engagement Plan \(SEP\) - Guatemala Energy Transition Support Project - P510015](#)