Early Warning System

WB-P516633

Enhancing Energy Reliability, Growth, Investments and Sustainable Electrification in Rwanda

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Quick Facts

Countries	Rwanda
Financial Institutions	World Bank (WB)
Status	Proposed
Bank Risk Rating	A
Voting Date	2027-02-16
Borrower	Government of Rwanda
Sectors	Energy, Hydropower
Investment Type(s)	Loan
Investment Amount (USD)	$ 100.00 million
Loan Amount (USD)	$ 100.00 million
Project Cost (USD)	$ 125.00 million

Project Description

As stated by the World Bank, the project development objective is to improve the reliability and security of electricity supply and and enhance private sector participation in energy generation in Rwanda.

- **Component 1: Expansion of Solar PV Capacity through Private Sector Participation.** This component aims to support development of 100 MW of utility-scale solar PV capacity through competitive procurement of independent power producers (IPP). Two subcomponents are included:
  - **Subcomponent 1.1—Payment and/or Loan Guarantees:** This subcomponent proposes to provide payment and/or loan guarantees to de-risk private investment in 100 MW of solar IPPs. The guarantees will address EUCL's offtaker risk, with a portfolio-based structure covering multiple IPPs, over and above the initial 100 MW, to ensure competitive tension and lender interest.
  - **Subcomponent 1.2—Land Acquisition and Resettlement Financing:** IDA resources could be deployed towards financing land acquisition and associated resettlement costs for two designated 50 MW solar sites, mitigating a significant risk to solar PV deployment by the private sector.
- **Component 2: Development of a Utility-Scale Battery Energy Storage System.** This component will finance the design, procurement, installation, and commissioning of utility-scale BESS which will be built, owned, and operated by EUCL. The BESS will enhance the grid's ability to absorb and dispatch intermittent solar generation, provide ancillary services (frequency regulation, voltage support), and reduce reliance on expensive peaking thermal plants. The BESS is expected to be co-located with one of the solar sites to be supported by Component 1.
- **Component 3: Rehabilitation of the Ntaruka Hydropower Plant.** The Ntaruka Hydropower Plant (11.5 MW) is one of Rwanda's oldest and most strategically important generation assets. Years of deferred maintenance and operational wear have significantly reduced its effective capacity. This component will finance the rehabilitation of civil structures, electromechanical equipment, and ancillary systems to restore the plant to its full nameplate capacity of 11.5 MW.
- **Component 4: Strengthening Institutional Capacity, Implementation Support, and Technical Assistance.** This component ensures effective project implementation and lays the groundwork for Rwanda's longer-term energy sector development:
  - **Subcomponent 4.1—Implementation Support and Capacity Building:** Financing for the Project Implementation Unit (PIU) at EDCL, including staffing, project management, procurement, financial management, environmental and social safeguards, and stakeholder engagement. Capacity building support will be provided to EUCL, RURA, RDB, MININFRA, and other sector entities on areas including BESS operation, tariff regulation, sector planning, and PPP structuring.
  - **Subcomponent 4.2—Technical Studies and Pipeline Development:** Funding for feasibility studies, resource assessments, and pre-investment technical work for a pipeline of future generation projects across Rwanda's energy mix, including solar, hydropower, geothermal, gas and nuclear. This subcomponent will inform the design of subsequent projects in the SoP.

The implementing agency will be Energy Development Corporation Limited, a subsidiary of the Rwanda Energy Group.

Investment Description

- World Bank (WB)

Private Actors Description

As stated on the company's website, the Rwanda Energy Group (REG) was incorporated to expand, maintain and operate the energy infrastructure in the Country through its two subsidiaries the Energy Utility Corporation Limited (EUCL) and the Energy Development Corporation Limited (EDCL). The object of creating these subsidiaries amongst others was to ensure focused attention to enhancing efficiency in utility operations on one hand and ensure more timely and cost efficient implementation of development projects on the other. Moreover the REG holding structure provides the overall coordination and ensures effective development of energy and investment plans

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Rwanda Energy Group	Contractor	Energy

Contact Information

World Bank Team Leader:

Laurencia Karimi Njagi - Senior Energy Specialist

No contacts provided at the time of disclosure.

ACCESS TO INFORMATION

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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

- Concept Project Information Document (PID)