African Union | AUDA-NEPAD AFRICAN UNION DEVELOPMENT AGENCY | GOVERNO DE ANGOLA

III LUANDA FINANCING SUMMIT FOR AFRICA'S INFRASTRUCTURE DEVELOPMENT

Project Investment Prospectus – Baynes Hydropower Project

Project Summary	
Project Name	Baynes Hydropower Project
Location	Angola, Namibia
Sector	Energy
Sub-Sector	Hydropower
Development Stage	Feasibility Study stage 2B
Project Sponsor	Governments of Angola and Namibia
Project Cost	Main Dam: US$1.375 billion (civil: U$866m; electro-mechanical: US$255m; environmental cost: US$8m; indirect cost: US$110m; interest during construction: US$136m) Regulating Dam: US$137 million (civil: U$94m; electromechanical: US$27m; environmental cost: US$300k; indirect cost: US$11m; interest during construction: US$5m)
Funding Requirement	**US$ 1.512 billion** (excluding associated infrastructure)
Project Preparation total cost	Preparation means from S0 to S4A
Project Preparation funding gap	Total project preparation funding requirement and percentage of the total project prep cost
Financing Structure	Public Financing (Angola: Namibia - 50:50)
Development Timeline	2008-2014 (Feasibility Stage); 2021-2024 (Updating Studies)
Project Description	Binational Project between Angola and Namibia, to construct a hydropower plant on the Kunene River to increase installed capacity of dispatchable renewable energy and to support the large-scale rollout of renewable energy in both countries.
Strategic Importance	Alignment with national or regional development goals, SDGs, or climate resilience strategies. Energy Security and Grid Stability
Market Demand	Angola & Namibia, secondary offtake by regional utilities (SAPP)
Financial Overview	
Total Project Cost	**US$ 1.512 billion (excluding associated infrastructure)**
Capital Structure	Public Financing (debt & equity)
Financial Metrics	- **IRR: IRR 9.23% (30 years economic lifetime)** - Payback Period: in years - DSCR: - Expected Equity Return:
Revenue Model	Pari Passu
Sustainability and Impact consideration	
Social Impact	- Job creation estimate: Labour income, (aggregate growth of 0.9% for Angola and 3.7% for Namibia) - Economic benefits to local communities:

	• Realisation of the envisaged Port to Port Road corridor between Angola and Namibia (Namibe port in Angola to Walvis Bay port in Namibia) • Provision of health, education, electricity and telecommunication access, and other services to communities along the common border, who for decades been deprived of socio-economic developments. • Stimulation of tourism in the Skeleton Coast – Iona Transfrontier Park (transboundary tourism) • Connection of Angola to the regional transmission network, and enabling Angola to be an operating member of the Southern African Power Pool (SAPP), Gender sensitiveness score: Rural-urban connectivity score: Provides electricity access to clean energy, reduces power deficits, promotes economic growth in Angola and Namibia, and contributes to reducing electricity tarriffs.
Environmental Impact	- Overview of compliance with environmental standards - Alignment with climate goals Generates clean energy and reduces GHG emissions by lowering imports and reduces the dispatch of fossil fuel-based electricity.
SDG and Agenda 2063 Alignment	SDGs and A63 goals (e.g., SDG 7: Affordable and Clean Energy)
Project Technical details	
Technology & Design	Large Hydro (Main Dam: Francis Turbines Regulating Dam: S-type Kaplan)
Capacity/Size	**860 MW (Main Dam) + 21 MW (Regulating Dam)**
Construction/Preparation Timeline	5 years construction period (Main Dam) 5 years construction period (Regulating Dam)
Offtake Agreements	Option A: The Project to enter into PPAs with each respective offtaker: RNT and NamPower, other regional utilities, and SAPP registered power traders (merchants) Option B: The Project to enter into PPAs with only RNT and NamPower, who will on sell to regional utilities and other participants within SAPP.
Risk Management	
Risk Assessment	Construction and Forex Risks
Regulatory Risks	Tarriff path uncertainty
Environmental and Social Safeguards	Resettlement Action Plan (RAP) & Environmental Management Plan (EMP) Compliance with environmental and social impact regulations and community consultations.
Key Stakeholders	
Sponsors	List of major sponsors.
Investors	Potential DFIs/private sector players interested in financing.
Contractors & Operators	Contractors involved in the project with experience.
Legal and Financial Advisors	White & Case (Legal) & Greengate LLC (Financial), SMEC (Technical)
Way forward	
Investment Ask	1) Grant funding Opportunity: Regulating Dam EIA (procurement of consultants currently on-going) Pump Storage Feasibility (techno-economic & environmental) high level concept note developed Geo-tech investigations 2) Funding for dam construction: Regulating Dam ~ FC: 2nd Q 2027) $ 136 695 793.58 Main Dam ~ FC: 4th Q 2027) $1,375,646,686.41 Associated Infrastructure (transmission) ~ FC: 4th Q 2027 / 2nd Q 2028
Next Steps	Project structuring and bidding
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