



III LUANDA FINANCING SUMMIT FOR AFRICA'S INFRASTRUCTURE DEVELOPMENT

Project Investment Prospectus – Cabinda Water Supply PPP

PROJECT SUMMARY	
Project Name	Public-Private Partnership for Cabinda Water Supply Company (Parceria Público-Privada para EPAS Cabinda)
Location	Cabinda Province, Angola (exclave bordered by DRC and Republic of Congo)
Sector	Water and Sanitation
Sub-Sector	Urban Water Supply and Distribution (OECD DAC 14020)
Development Stage	S3 - Tender and Award (Concurso e Adjudicação)
Project Sponsor	Ministry of Energy and Water (MINEA) through PDISA I & II Program
Project Cost	USD 322 million CAPEX
Funding Requirement	USD 161 million (50% of total) - urgent additional financing needed beyond World Bank commitment
Project Preparation Total Cost	100% financed by AfDB
Project Preparation Funding Gap	No gap - fully covered by AfDB

Financing Structure	44% Government Subsidies / 56% Debt (anticipated capital structure)
Development Timeline	Management Contract Phase (3 years: 2025-2027), then Affermage Contract Phase (2028-2039)
Project Description	<p>This flagship PPP aims to transform water service delivery in Cabinda Province through a two-phase model: a 3-year Management Contract (2025-2027) to improve operational efficiency, followed by an Affermage Contract to 2039 for infrastructure expansion and universal access achievement. The project targets a rapidly growing population from 905,000 (2022) to 1.5 million by 2040, with 80%+ urbanization. The private operator will introduce modern technologies, qualified human capital, and commercial management to enhance service quality, financial viability, and customer satisfaction for EPAS Cabinda.</p>
Strategic Importance	<p>Fully aligned with Angola's National Development Plan 2023-2027 for water sector expansion and modernization. This is Angola's pioneering water sector PPP, establishing a replicable operational excellence model for national utility reform. Supports Angola's universal water access objectives under Vision 2025 and demonstrates commitment to private sector participation in essential services. Critical for Cabinda's economic diversification beyond oil dependence and regional integration as cross-border exclave.</p>
Market Demand	<p>Current (2024): 5.3 million ms/year Projected (2040): 31.1 million ms/year (485% increase) Population: 905,000 (2022) → 1.5M (2040) Urbanization: 80%+</p>

FINANCIAL OVERVIEW	
Total Project Cost	USD 542.6 million (CAPEX: USD 322M, Per capita: USD 362)
Capital Structure	Public 89%, Private 11%
Financial Metrics	IRR 32% VfM gains 17.68% CAPEX Recovery after year 8 ICSD 0.27537 Annual costs: RI USD 23.4M, Depreciation USD 15M, CCI USD 5.8M, OPEX USD 17.65M, Admin USD 3.456M
Revenue Model	User tariffs sufficient under scenario 2 analysis

SUSTAINABILITY AND IMPACT CONSIDERATION	
Social Impact	400+ specialized jobs by 2039 Management phase (2025-27): EPAS 183→263 staff, Private operator 11 Affermage phase (2028-39): EPAS 32→34, Private 255→363 Universal water access Public health improvements Skills development
Environmental Impact	National preservation compliance Paris Agreement alignment Water resource optimization Reduced groundwater depletion Energy efficiency gains
SDG and Agenda 2063 Alignment	SDG 6 (Clean Water and Sanitation) Agenda 2063 Aspiration 1 (Prosperous Africa) Climate resilience contribution

PROJECT TECHNICAL DETAILS	
Technology & Design	9 Water Treatment Plants (Malembo, Cabinda, Miconje, Buco Zau, Cacongo, Dinga, Necuto, Inhuca, Matembo) 13 Reservoirs 20+ Pumping Stations
Capacity/Size	Production 38.7M ms/year by 2039 (630% increase) 31,788 household connections Billed water 10.5M ms 145 ms/connection NRW reduction from 73% to 25-30% target
Construction/Preparation Timeline	Phase 1 (2025-27) operational improvements Phase 2 (2028-39) major infrastructure expansion
Offtake Agreements	Management Contract (performance-based fees, EPAS retains revenue risk) Affermage Contract (operator revenue collection rights with investment obligations)

RISK MANAGEMENT	
Risk Assessment	Two-phase allocation Phase 1: EPAS assumes majority Phase 2: Risks transferred to operator Demand (shared) Billing/collection (operator) Maintenance (operator) Water resources (shared) Force majeure (shared) Currency/interest (hedging) Political (public) Regulatory (public) Inflation (tariff adjustment)
Regulatory Risks	EPAS Cabinda assumes political/legislative risks IRSEA oversight for tariffs and service standards
Environmental and Social Safeguards	EIA aligned with national strategies Paris Agreement World Bank ESF IFC Performance Standards Community consultation protocols

KEY STAKEHOLDERS	
Sponsors	Ministry of Energy and Water (MINEA) - PDISA I & II framework
Investors	Government of Angola World Bank (50% secured) AfDB (preparation financing) Target DFIs: IFC, KfW, AFD, JICA
Contractors & Operators	Target international utilities (Veolia, Suez, SAUR) Competitive bidding underway (S3 stage)
Legal and Financial Advisors	To be appointed - specialized PPP water sector advisors

WAY FORWARD	
Investment Ask	USD 161 million gap (50%) Concessional debt from DFIs Blended finance 32% IRR 17.68% VfM Government guarantees available
Next Steps	Tender evaluation/operator selection (Q2 2025) Financial close (Q3 2025) Management Contract start (Q4 2025) Due diligence and site visits available
Contact Information	MINEA - elsa.ramos@minea.gov.ao AUDA-NEPAD Infrastructure - infrastructure@nepad.org www.au-pida.org