

	<p>This action is co-financed:</p> <ul style="list-style-type: none"> - in joint co-financing by the European Investment Bank for an amount of EUR 55 000 000; - in parallel co-financing by African Development Bank for an amount of EUR 25 000 000.
MANAGEMENT AND IMPLEMENTATION	
13. Type of financing	<p>This contribution to the Regional Blending Platform shall be implemented in indirect management by the European Investment Bank.</p> <p>Budgetary guarantee(s) as set out in section 4.4.2</p>

1.2 Summary of the Action

This action will improve Malawi's power sector by upgrading the Eastern Backbone transmission lines joining the central and northern region. A new 132 kV line will be constructed on steel latticed towers to replace the now unreliable 42 year old wooden pole-mounted lines, which serve important domestic, agro-based industries, mining and rural growth centres. The action will increase the reliability of electricity supply and reduce transmission losses, while contributing to climate and environment objectives, as well as building the resilience of critical infrastructure. The Eastern Backbone will enable the transmission of exclusively green energy with a new energy efficient system. The new 293 km line will start from the existing Nkhoma substation (Lilongwe, central region) and run east to Nanjoka substation (Salima, central region). The line will then extend northwards along Lake Malawi connecting to existing substations at Nkhotakota, Dwangwa and Chintheche (all northern region). The action also includes the replacement of an existing 66kV line with a 132 kV line running westwards from Nkhotakota substation to the Chinyama substation in Kasungu (central region).

This Global Gateway initiative will provide quality infrastructure that supports the investment ecosystem for industry and services and is aligned to the Malawi 2063 10-year implementation plan of prioritised investments, namely, 'construct new transmission lines and substations to support energy generation and distribution capacity'. It will support economic growth in the targeted districts by increasing the reliability, security and sufficiency of power supply.

The capacities of the transmission and distribution power utility, ESCOM¹, will be strengthened in the areas of project development and grid expansion, as well as operation and maintenance capacities to deliver a high level of quality of service. This will include digital solutions for the national control centre to deliver real-time and efficient services.

The action will be implemented through a blending operation, co-funded with a concessional loan from the European Investment Bank (EIB), with parallel grant funding from the African Development Bank. In a Team Europe approach, Swedfund is funding the environmental and social impact assessment (ESIA). The action will be an integral part of the TEI Green Growth, to which also Germany, Ireland and the Belgian region of Flanders contribute with complementary interventions in a joint intervention logic. The strands of action of the TEI are climate-smart value chain development, clean energy and nutrition.

1.3 Zone benefitting from the Action

The Action shall be carried out in Malawi which is included in the list of ODA recipients.

¹ Electricity Supply Corporation of Malawi