

# Namibia to go ahead with \$1.1 bln dam with Angola-INTERVIEW

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ANGOLA-NAMIBIA/POWER (INTERVIEW)

- \* Angola and Namibia committed to project
- \* Costs to be shared between both nations
- \* Eye project completion by 2017

By Henrique Almeida

LUANDA, May 7 (Reuters) - Namibia and Angola are moving ahead with a \$1.1 billion hydropower plant on a river that runs along their common border in a bid to end power disruptions that have plagued their economies for decades.

After a series of delays, the project, which includes a hydropower station and a storage dam in the Kunene river, is expected to be ready by 2017, the head of Namibia's state-utility firm NamPower told Reuters.

"That project is going well. It's a joint venture project between the two governments and 50 percent of the cost is covered by Angola and the other 50 percent by Namibia," said Paulinus Shilamba, on the sidelines of an investment conference in Luanda late on Thursday.

Shilamba said private investors could also be invited to participate in the Baynes Project.

"There are no private parties but I don't exclude the possibility of private companies coming in."

Environmental and feasibility studies of the 400-megawatt (MW) Baynes hydroelectric project should be ready before the end of the year, he said. Both nations will then look for contractors to build the power station.

Marred by delays, the huge dam is seen as a milestone for both African nations in their bid to end power disruptions that have plagued their economies for decades.

Plans to build the dam 15 years ago at the picturesque Epupa falls, about 40 kilometres north of Baynes, were scrapped after protesters raised fears it would threaten the environment and the nomadic Ovahimba community who lived nearby.

But in 2008 both nations agreed to move forward with it.

"Come December, if the business study report is positive we have to start with next phase of the project which is basically financial packaging, design and then writing of the contractors," said Shilamba.

"I'd say by 2013 we start building the project and then in 2017 power will start being generated," he said, adding the cost of the dam was estimated at \$1.1 billion.

Namibia's demand for power is expected to more than triple by 2030 as new mining operations come on stream. The southern African nation produces 10 percent of the world's uranium.

Angola, which rivals Nigeria as Africa's biggest oil producer, relies heavily on hydroelectric power for its energy needs and is investing billions of dollars in rebuilding dams wrecked by a 27-year civil war that ended in 2002.

Only 5 percent of an estimated 18,000 MW of hydroelectric power is being used in Angola, according to officials at Angola's Energy Ministry. (Editing by James Jukwey)

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