

TANZANIA

DEVELOPPING KAKONO HYDROPOWER PLANT



**AFRICA
RENEWABLE
ENERGY**
SCALE UP



DATES

2019-2022



AMOUNT

1,6 M€



REQUESTED FROM

TANESCO



STATUS

Completed

Tanzanian government is willing to build a hydropower plant associated with a transmission line in Kagera region, with the objective of providing power stability & supply to the national grid. Following the feasibility studies, AFD secured a financial envelope of USD 312M with contribution from Agence Française de Développement (AFD), African Development Bank (AfDB) and the European Union (EU).



BACKGROUND

Tanzanian government is willing to build a hydropower plant (HPP) of 87 MW in Kakono, on Kagera River, as well as a 220kV transmission line. This HPP should operate as a run-of-river scheme. However, foreseeable environmental and social (E&S) impacts have already been identified in a previous assessment carried out in 2014.

Therefore, the Tanzania Electricity Supply Company Limited (TANESCO) has requested two technical assistances launched through ARE Scale up in order to:

- Update and assess the project feasibility in terms of environmental and social impacts as well as to improve the E&S Management Plan (ESMP)
- Evaluate impacts previously identified as well as other potential impacts related to downstream modification of flow regime.



TECHNICAL ASSISTANCE

The first study consisted in the following tasks :

- Review and update the existing ESMP (particularly physical environment, biodiversity and socio-economic conditions)
- Review and update the Resettlement Action Plan which is addressing the impacts and the mitigation / compensation measures in terms of land acquisition, physical and economic resettlement and livelihoods

The second study is now completed and aimed at conducting complementary studies :

- Assessment of the downstream hydrological changes related to the modification of the flow regime due to the hydropower plant installation
- Environmental flows assessment
- Mitigation and management strategy



FURTHER STEPS / OUTCOMES

The project has a cost estimation of USD 312M. Following the feasibility studies conclusions AFD was able to approve a concessional loan of 110M€, the EU approved a grant of 36M€, another loan of 150M€ was provided by the AfDB, while funds from the Tanzanian completed the financing envelope. A part from

contributing to the increase of REN generation, the project will contribute to the stability of the grid. GHG emission will be reduced by 813 810 tCO₂eq/year. Finally, the project will also help strengthen resilience of the Tanzanian hydropower sector to climate change.

Final report available on request.



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A facility to develop innovative projects in renewable energy and boost electrification on the African continent.

The AFD Group, with the support of the European Union, has set up the "African Renewable Energy Scale-Up facility" (ARE Scale Up facility) to boost private sector investment in on-grid and off-grid renewable energy production in Africa.

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