

Signing of Japanese ODA Loan with the United Republic of Tanzania

— Improving Living Standards in Tanzania and Stimulating the Economy through Construction of Stronger Backbone Transmission Lines —

1. On December 13, 2010, the Japan International Cooperation Agency (JICA) signed a Japanese ODA loan agreement with the Government of the United Republic of Tanzania to provide up to 6.048 billion yen for the Iringa-Shinyanga Backbone Transmission Investment Project.

2. Under this project, 400 kV double circuit transmission lines will be built in the 667 kilometers between the city of Iringa in Iringa Region, and the city of Shinyanga in Shinyanga Region. Substations connecting the lines will be extended to increase the quantity and reliability of power supplied from the southern regions of Tanzania to the northern regions, where the demand for power is rising, to improve living standards and to stimulate economic activities including mining development.

3. In recent years, the demand for power has rapidly increased and is expected to keep increasing in the northern part of Tanzania as a number of mining development projects have made progress in Shinyanga and Mwanza Region and the economic growth has taken place especially in Arusha and Kilimanjaro Region. While power for the north comes mainly from hydroelectric sources in the south, it is urgently needed to supplement the capacity for transmitting power from the south to the north, since the current flowing through the existing 220 kV transmission line that connects Iringa in the south and Shinyanga in the north has already exceeded the firm transfer capacity, causing rolling blackouts in the north.

As a plan for international power line construction connecting Zambia, Tanzania and Kenya is under discussion among the three governments, this project is expected to contribute to the effective use of excess hydroelectric power as well as to the stability of the power supply in Eastern and Southern Africa in the mid- to long-term.

In addition to improving transmission capacity, this project will decrease transmission losses to enable more efficient power use, which will help curb greenhouse gas emissions, enabling this project to qualify as a Climate Change ODA Loan.

4. Considering the financial, technical and maintenance aspects of the project, the work for the construction of approximately 667 kilometers of power lines has been divided into three lots, with the extension of four substations treated as a separate lot.^[1]

JICA is providing support for Lot 2 (the transmission lines between Dodoma in Dodoma Region and Singida in Singida Region, totaling approximately 217 kilometers), through the Accelerated Co-financing Facility for Africa (ACFA) in cooperation with the African Development Bank (AfDB) based on the Enhanced Private Sector Assistance for Africa (EPSA for Africa). The World Bank will provide assistance for Lot 1, the European Investment Bank (EIB) for Lot 3, and the Export-Import Bank of Korea (Korea Exim) for Lot 4. The World Bank will also provide assistance for consulting services involving the design and construction supervision for all of the lots and the capacity building to the Tanzania Electric Supply Company Limited (TANESCO), and AfDB will provide assistance of the project audit for all of the lots.



Signing Ceremony

Related Link

➤ [Project Map \(PDF/68KB\)](#)

Reference

1. Terms and Amounts of Loan

Project title	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Deferment period (years)	Procurement
		Project	Consulting services			
Iringa-Shinyanga Backbone Transmission Investment Project	6,048	0.01	[2]	40	10	General, untied ^[3]

Dashes in the table indicate that terms and conditions have not been established for that item.

2. Project Summaries

Iringa-Shinyanga Backbone Transmission Investment Project

Executing Agency

Tanzania Electric Supply Company Limited (TANESCO)
Address: Umeme Park, P.O. Box 9024, Dar es Salaam, Tanzania
Phone: +255 (022) 245-1130/38/48

Planned Implementation Schedule

- (i) Completion time of project: June 2014 – when the facilities are put into service
- (ii) Issuing of letters of invitation for consulting services (including construction monitoring):
January 2011^[2]
(Subscription of Expressions of Interest was closed in December 2010)
- (iii) Tender announcement of initial procurement package for international competitive bidding on project construction:
Procurement package titles: Construction of Lots 1, 2, and 3^[4]
Release date: December 2010 (notice of pre-qualification)

Notes

- [1] Lot 1: Iringa-Dodoma transmission lines
(total length approximately 225 kilometers)
- Lot 2: Dodoma-Singida transmission lines
(total length approximately 217 kilometers)
- Lot 3: Singida-Shinyanga transmission lines

(total length approximately 225 kilometers)

Lot 4: Substations in the cities of Iringa, Dodoma, Singida, and Shinyanga

[2] Not included in the loan. This will be provided through support from the World Bank based on their procurement rules.

[3] Implemented based on the AfDB procurement rules as per the ACFA implementation guidelines.

[4] Lot 4 will be procured through competitive tender among South Korean companies.

